

LOMBARD

How to finance new projects

BY PETER RIDDELL

ANYONE suggesting a new public spending project in Whitehall today would no doubt be told to go quietly away and read the foreign exchange market reports from March to May and the collected speeches of Mr. Denis Healey for June and July, the former serving as a pertinent introduction to the latter. But there is no necessary reason why the Treasury should not be more forthcoming in its approach to the public, rather than being a closed book, and a reduction in aggregate spending should mean that any proposal for new expenditure should be treated as if it meant an addition to the total, rather than possibly an alternative to an existing programme.

But under the present system, new is generally seen as meaning more, and hence is turned down. Consequently we tend to be stuck with the old broad framework and distribution of spending as has applied over the years, with a few cuts at the margin.

In real terms

It is easy enough to see why this has happened when the priority has been to try and bring spending under control and, more recently, actually to achieve reductions in real terms. After all, turning down new spending proposals is an obvious start to any "cuts" exercise. Anyone doubting the difficulty of making reductions in existing programmes should look at the content of the recent package, which Mr. Healey described as the "most difficult, dangerous and exhausting task he had to face as Chancellor" but which in practice mainly consisted of small alterations and deferments rather than fundamental changes in the pattern of public spending.

New spending ideas are perhaps inevitably not going to stand much of a chance in these circumstances. And anyway the loss of one or two desirable new projects might be regarded as small importance by those concerned to secure a longer-term reduction in the share of public spending in gross national product.

The problem is not so much the understandable pressure to postpone new proposals as a result of tighter overall control but rather the inhibiting bias in favour of existing projects. Indeed it might be possible to secure larger reductions in aggregate total if new and existing spending programmes were both considered on their merits on a properly comparable basis. The Finance Review could provide a start in the search for a way summed up a few years ago by Sir John Hunt, now Cabinet Secretary but then in the Treasury overseeing a large part of the public spending control, "one must remember that in looking at percentage increases and decreases one is looking at changes at the margin. You have got very big programmes here with commitments which are quite inescapable, the adjustments, whether upwards or downwards, are changes at the margin."

As Hugh Heclo and Aaron Wildavsky point out in their richly informative study of the private Government of Public Money, a system under which proposals are "harder to get in" also means they are "more difficult to throw out."

Unchangeable

Few will, of course, deny the virtues of the present system if at last it brings public spending under control, but the price should be recognised. And it is not an automatic reason why the existing pattern within the total is unchangeable. Anthony Harris discussed in this column last week the use of zero-based budgeting under which spending departments would not only have to make out a case for expansion of plans but they would also have to justify a claim to any budget at all, as if it was a new idea. There have been attempts in Britain, with mixed success, to undertake a more fundamental study of existing spending—notably the Programme Analysis and Review brought in by the Heath Government.

Such techniques have, and no doubt will, be treated with a considerable amount of scepticism and their main purpose may be in prompting the asking of questions. Moreover, they may also help to steer the discussion away from a consideration solely of monetary inputs in looking at the impact of particular programmes.

But a broadening in the range of analysis to challenge the assumptions behind existing programmes might achieve something. You do not necessarily have to be a profligate spender to be a life-long optimist—to believe it is possible, for example, to have both a fully-fledged child benefit scheme (rather than the proposed half-hearted one) and more spending on inner city areas, while cutting overall spending and taxes. The House of Commons could provide a start in the search for a way summed up a few years ago by Sir John Hunt, now Cabinet Secretary but then in the Treasury overseeing a large part of the public spending control, "one must remember that in looking at percentage increases and decreases one is looking at changes at the margin. You have got very big programmes here with commitments which are quite inescapable, the adjustments, whether upwards or downwards, are changes at the margin."

TENNIS

Nastase faces Borg

BY JOHN BARRETT

ILLE NASTASE, the losing Wimbledon finalist, joined Jimmy Connors and Guillermo Vilas in the semifinals of the U.S. Open championship at Forest Hills yesterday by defeating the 25-year-old American Dick Stockton, 4-6, 6-4, 6-2, 6-3.

In tomorrow's semi-final he will meet Bjorn Borg, who beat him in that memorable Wimbledon final. Borg ousted Spina's opponent in a marvellously contested three-hour match by 6-4, 6-0, 6-2, 5-7, 6-4. Borg had led 4-0 and 5-3 in the fourth set, at which point Orantes saved a match point before mounting a great comeback which only just failed.

Nastase's victory, accomplished in two hours 20 minutes, could be attributed to his fine serving and returning and to Stockton's insistence on trying to play a serve-volley game on the slow clay surface.

At first Stockton's net-rushing, though muted, pre-occupation with linesmen and photographers, Stockton, ranked tenth in the U.S., broke the Romanians in the opening game, which Nastase scarcely disputed but he considered an ace being called out—and served out safely for the first set.

There was time for one more dispute—at match point when a Nastase serve was called out. He vaulted the net to point out the spot where he considered the ball had landed, but decided his usual prolonged argument. It was a wise decision as he won on the very

next point, when Stockton netted a service return.

Step by step, match by match, Australia's Evonne Cawley and America's Chris Evert marched together towards the women's final.

The 10th-ranked American Rosie Casals was Mrs. Cawley's latest victim, in the quarter-finals. The score was 6-1, 6-2, and the victory as effortlessly achieved as that would indicate.

In today's semi-finals Miss Evert faces Nina Jausovec, the Yugoslav who captured the Italian championship this year, and Mrs. Cawley takes on her Federation Cup team-mate Dianne Fromholtz, a 20-year-old heavy-hitting blonde ranked sixth back home in Australia.

Britain's Virginia Wade, who won the women's doubles title here last year with Margaret Court, reached the semi-finals of the event with a new partner, Olga Morozova, of Russia. They defeated another Anglo-Russian pairing, Sue Barker and Natasha Chmyreva, 6-2, 6-1, and now face the Americans Mona Guerrant and Ann Kiyomura.

In the quarter-finals of the junior girls' event, Michele Tyler, of Britain, who has beaten 1-6, 7-5, 6-3 by Romania's Lucia Romanov after having had two match points at 5-2 in the second set and two more at 5-4.

RACING

Picture should head frame

BY DOMINIC WIGAN

SIX SUPPORTED races headed by the William Hill-sponsored Portland Handicap make up today's interesting programme at Doncaster, where the ground is expected to be perfect for tomorrow's 200th renewal of the St. Leger.

The Portland, which has produced so many fine races, has attracted some extremely smart sprinters on this occasion and another intriguing contest seems assured.

Two who will almost certainly give their supporters a good run for their money are May Beck and Picture. May Beck, a particularly consistent Welsh Paganet filly trained by J. O. Tobin's handler, Noel Murless, for his wife, Gwen, probably put up her best performance of the season last time out when chasing home Sonnenblick in the Wykeham Handicap at York on August 18.

Quickening impressively two furlongs from home in that highly competitive six-furlong event, May Beck looked all set to overhaul Sonnenblick. Her effort

pointed out her two outings this term. She has been racing over longer distances, however, and this return to the minimum trip will suit her ideally.

In a tricky event, Picture, who has the assistance of strong light-weight Des Cullen, is selected.

Another possible winner for Murless and May Beck's partner, Lester Piggett, is Royal Plume, who is also by Welsh Paganet. This bay son of Whipped Cream, a half-sister to Connaught, followed up a third-placed Salisbury effort by defeating market rival Rostov by a length in the Sanction Stakes at York 10 days ago.

Royal Plume, an improving colt, who won that race with a bit more in hand than the margin would suggest, looks capable of outpointing the two other recent winners, Town and Country and Slavonic.

At today's other Flat meeting, Goodwood, I shall be more than surprised if the highly-rated Garlock cannot lower the colours of Do Better in the Pilleygreen Stakes.

TWA's DAILY NON-STOP TO BOSTON

Leaves London 11.15, arrives 13.35. Call your travel agent or TWA.



TWA carries more scheduled passengers across the Atlantic than any other airline. TWA. No. 1 across the Atlantic.

We are pleased to announce that

John R. Fell, Jr.

has joined our firm as a Vice President in our New York office.

Russell Reynolds Associates, Inc.

Executive Recruiting Consultants

One Mount Street, London W1Y 5AA

NEW YORK CHICAGO HOUSTON LONDON LOS ANGELES

ENTERTAINMENT GUIDE

OPERA AND BALLET

CONSERVATORY OF MUSIC (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

ROYAL FESTIVAL HALL (01-235 3151) Evening, 8 p.m. Sat. 8.30 and 8.45. "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart). "The Marriage of Figaro" (L. Mozart).

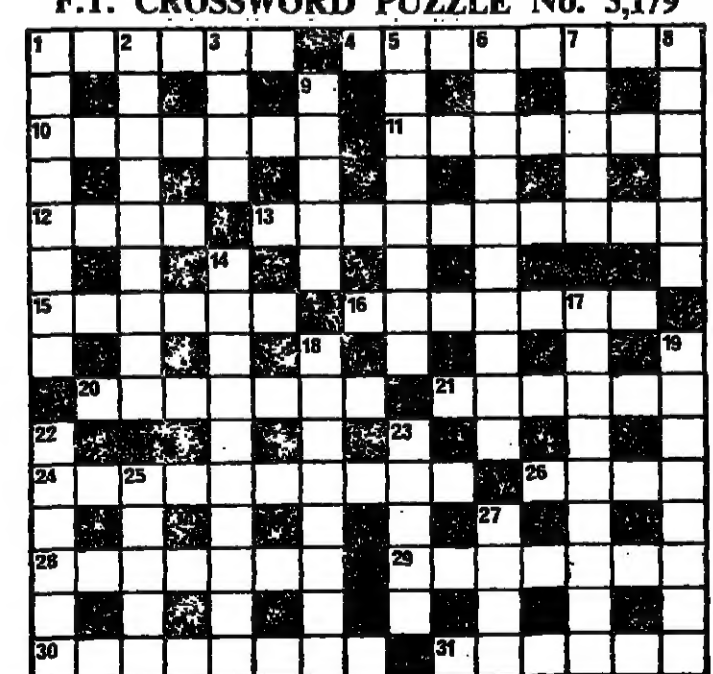
TV Radio

↑ Indicates programme in black and white.

BBC 1

7.05-7.55 a.m. Open University (UHF only). 12.45 p.m. News. 1.00 Pebble Mills including Dig This. 1.45 Cambridge Circus. 2.55 Cynanfa Ganu. 3.50 The Sky at Night. 4.18 Regional News (except London). 4.30 Play. 4.45 Why Don't You... 5.15 The Singer Ringing Tree. 5.25 Magic Roundabout. 5.40 News. 5.55 Nationwide. 6.45 Sportsweek. 7.05 Tom and Jerry. 7.10 It's a Knockout.

F.T. CROSSWORD PUZZLE No. 3,179



ACROSS

1 Dismissed and offended (3, 3)
4 The poor horse in the sleigh is hampered (8)
10 Learning acquires a garland for the siren (7)
11 Fibs about a little drink—that's an understatement (7)
12 Architectural worry (4)
13 Cleaners frightened off the males (10)
15 Craft the tailor employs (6)
16 Stray sappers in lodgings (7)
20 The country has intelligence about it (7)
21 Strange haunts in the Cape (6)
24 Doubling up with a bird before the storm (10)
26 The Archbishop appears in the Borough News (4)
28 In the dock but not for a reit (2, 5)
29 A show of courage gets applause about this period (7)
30 The artist goes round the past market-place (3, 5)
31 What makes one tick? Cassandra could not get it (6)

DOWN

1 Redskin's answer to the white man (8)
2 Hill counsellor in the Inquisition (9)
3 Unattractive as a fruit, we beat (4)
5 This country is stamped as Latin (5)
6 After puss I get up to classify (10)

SOLUTION TO PUZZLE No. 3,178

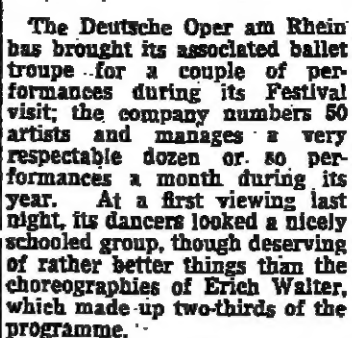
ACROSS
1 DICKENS
4 HORSE
10 GARDEN
11 LIES
12 WORRY
13 CLEANERS
15 CRAFT
16 STRAY
20 COUNTRY
21 CAPE
24 DOUBLED
26 ARCHBISHOP
28 IN THE DOCK
29 SHOW
30 ARTIST
31 TICK

DOWN
1 REDSKIN
2 HILL
3 UNATTRACTION
5 LATIN
6 AFTERPUSS

BBC 2

6.40-7.55 a.m. Open University. 11.00 Play School. 11.25-12.30 p.m. TUC at Brighton. 2.00 Racing from Goodwood. 5.00 Open University. 5.45 News. 6.00 News. 6.30 News. 7.00 News. 7.30 News. 7.40 Industrial Grand Tour. 7.50 Settle the Score. 8.00 Saturday Play Showcases. 8.00 Post Black. 8.25 Golf: Jack Nicklaus and friends from Ohio. 10.25 Five Red Herring. 10.25 News. 10.55 News. 11.00 News. 11.25-12.30 p.m. TUC at Brighton. 12.30-1.00 p.m. TUC at Brighton. 1.00-1.30 p.m. TUC at Brighton. 1.30-2.00 p.m. TUC at Brighton. 2.00-2.30 p.m. TUC at Brighton. 2.30-3.00 p.m. TUC at Brighton. 3.00-3.30 p.m. TUC at Brighton. 3.30-4.00 p.m. TUC at Brighton. 4.00-4.30 p.m. TUC at Brighton. 4.30-5.00 p.m. TUC at Brighton. 5.00-5.30 p.m. TUC at Brighton. 5.30-6.00 p.m. TUC at Brighton. 6.00-6.30 p.m. TUC at Brighton. 6.30-7.00 p.m. TUC at Brighton. 7.00-7.30 p.m. TUC at Brighton. 7.30-8.00 p.m. TUC at Brighton. 8.00-8.30 p.m. TUC at Brighton. 8.30-9.00 p.m. TUC at Brighton. 9.00-9.30 p.m. TUC at Brighton. 9.30-10.00 p.m. TUC at Brighton. 10.00-10.30 p.m. TUC at Brighton. 10.30-11.00 p.m. TUC at Brighton. 11.00-11.30 p.m. TUC at Brighton. 11.30-12.00 p.m. TUC at Brighton. 12.00-12.30 p.m. TUC at Brighton. 12.30-1.00 p.m. TUC at Brighton. 1.00-1.30 p.m. TUC at Brighton. 1.30-2.00 p.m. TUC at Brighton. 2.00-2.30 p.m. TUC at Brighton. 2.30-3.00 p.m. TUC at Brighton. 3.00-3.30 p.m. TUC at Brighton. 3.30-4.00 p.m. TUC at Brighton. 4.00-4.30 p.m. TUC at Brighton. 4.30-5.00 p.m. TUC at Brighton. 5.00-5.30 p.m. TUC at Brighton. 5.30-6.00 p.m. TUC at Brighton. 6.00-6.30 p.m. TUC at Brighton. 6.30-7.00 p.m. TUC at Brighton. 7.00-7.30 p.m. TUC at Brighton. 7.30-8.00 p.m. TUC at Brighton. 8.00-8.30 p.m. TUC at Brighton. 8.30-9.00 p.m. TUC at Brighton. 9.00-9.30 p.m. TUC at Brighton. 9.30-10.00 p.m. TUC at Brighton. 10.00-10.30 p.m. TUC at Brighton. 10.30-11.00 p.m. TUC at Brighton. 11.00-11.30 p.m. TUC at Brighton. 11.30-12.00 p.m. TUC at Brighton. 12.00-12.30 p.m. TUC at Brighton. 12.30-1.00 p.m. TUC at Brighton. 1.00-1.30 p.m. TUC at Brighton. 1.30-2.00 p.m. TUC at Brighton. 2.00-2.30 p.m. TUC at Brighton. 2.30-3.00 p.m. TUC at Brighton. 3.00-3.30 p.m. TUC at Brighton. 3.30-4.00 p.m. TUC at Brighton. 4.00-4.30 p.m. TUC at Brighton. 4.30-5.00 p.m. TUC at Brighton. 5.00-5.30 p.m. TUC at Brighton. 5.30-6.00 p.m. TUC at Brighton. 6.00-6.30 p.m. TUC at Brighton. 6.30-7.00 p.m. TUC at Brighton. 7.00-7.30 p.m. TUC at Brighton. 7.30-8.00 p.m. TUC at Brighton. 8.00-8.30 p.m. TUC at Brighton. 8.30-9.00 p.m. TUC at Brighton. 9.00-9.30 p.m. TUC at Brighton. 9.30-10.00 p.m. TUC at Brighton. 10.00-10.30 p.m. TUC at Brighton. 10.30-11.00 p.m. TUC at Brighton. 11.00-11.30 p.m. TUC at Brighton. 11.30-12.00 p.m. TUC at Brighton. 12.00-12.30 p.m. TUC at Brighton. 12.30-1.00 p.m. TUC at Brighton. 1.00-1.30 p.m. TUC at Brighton. 1.30-2.00 p.m. TUC at Brighton. 2.00-2.30 p.m. TUC at Brighton. 2.30-3.00 p.m. TUC at Brighton. 3.00-3.30 p.m. TUC at Brighton. 3.30-4.00 p.m. TUC at Brighton. 4.00-4.30 p.m. TUC at Brighton. 4.30-5.00 p.m. TUC at Brighton. 5.00-5.30 p.m. TUC at Brighton. 5.30-6.00 p.m. TUC at Brighton. 6.00-6.30 p.m. TUC at Brighton. 6.30-7.00 p.m. TUC at Brighton. 7.00-7.30 p.m. TUC at Brighton. 7.30-8.00 p.m. TUC at Brighton. 8.00-8.30 p.m. TUC at Brighton. 8.30-9.00 p.m. TUC at Brighton. 9.00-9.30 p.m. TUC at Brighton. 9.30-10.00 p.m. TUC at Brighton. 10.00-10.30 p.m. TUC at Brighton. 10.30-11.00 p.m. TUC at Brighton. 11.00-11.30 p.m. TUC at Brighton. 11.30-12.00 p.m. TUC at Brighton. 12.00-12.30 p.m. TUC at Brighton. 12.30-1.00 p.m. TUC at Brighton. 1.00-1.30 p.m. TUC at Brighton. 1.30-2.00 p.m. TUC at Brighton. 2.00-2.30 p.m. TUC at Brighton. 2.30-3.00 p.m. TUC at Brighton. 3.00-3.30 p.m. TUC at Brighton. 3.30-4.00 p.m. TUC at Brighton. 4.00-4.30 p.m. TUC at Brighton. 4.30-5.00 p.m. TUC at Brighton. 5.00-5.30 p.m. TUC at Brighton. 5.30-6.00 p.m. TUC at Brighton. 6.00-6.30 p.m. TUC at Brighton. 6.30-7.00 p.m. TUC at Brighton. 7.00-7.30 p.m. TUC at Brighton. 7.30-8.00 p.m. TUC at Brighton. 8.00-8.30 p.m. TUC at Brighton. 8.30-9.00 p.m. TUC at Brighton. 9.00-9.30 p.m. TUC at Brighton. 9.30-10.00 p.m. TUC at Brighton. 10.00-10.30 p.m. TUC at Brighton. 10.30-11.00 p.m. TUC at Brighton. 11.00-11.30 p.m. TUC at Brighton. 11.30-12.00 p.m. TUC at Brighton. 12.00-12.30 p.m. TUC at Brighton. 12.30-1.00 p.m. TUC at Brighton. 1.00-1.30 p.m. TUC at Brighton. 1.30-2.00 p.m. TUC at Brighton. 2.00-2.30 p.m. TUC at Brighton. 2.30-3.00 p.m. TUC at Brighton. 3.00-3.30 p.m. TUC at Brighton. 3.30-4.00 p.m. TUC at Brighton. 4.00-4.30 p.m. TUC at Brighton. 4.30-5.00 p.m. TUC at Brighton. 5.00-5.30 p.m. TUC at Brighton. 5.30-6.00 p.m. TUC at Brighton. 6.00-6.30 p.m. TUC at Brighton. 6.30-7.00 p.m. TUC at Brighton. 7.00-7.30 p.m. TUC at Brighton. 7.30-8.00 p.m. TUC at Brighton. 8.00-8.30 p.m. TUC at Brighton. 8.30-9.00 p.m. TUC at Brighton. 9.00-9.30 p.m. TUC at Brighton. 9.30-10.00 p.m. TUC at Brighton. 10.00-10.30 p.m. TUC at Brighton. 10.30-11.00 p.m. TUC at Brighton. 11.00-11.30 p.m. TUC at Brighton. 11.30-12.00 p.m. TUC at Brighton. 12.00-12.30 p.m. TUC at Brighton. 12.30-1.00 p.m. TUC at Brighton. 1.00-1.30 p.m. TUC at Brighton. 1.30-2.00 p.m. TUC at Brighton. 2.00-2.30 p.m. TUC at Brighton. 2.30-3.00 p.m. TUC at Brighton. 3.00-3.30 p.m. TUC at Brighton. 3.30-4.00 p.m. TUC at Brighton. 4.00-4.30 p.m. TUC at Brighton. 4.30-5.00 p.m. TUC at Brighton. 5.00-5.30 p.m. TUC at Brighton. 5.30-6.00 p.m. TUC at Brighton. 6.00-6.30 p.m. TUC at Brighton. 6.30-7.00 p.m. TUC at Brighton. 7.00-7.30 p.m. TUC at Brighton. 7.30-8.00 p.m. TUC at Brighton. 8.00-8.30 p.m. TUC at Brighton. 8.30-9.00 p.m. TUC at Brighton. 9.00-9.30 p.m. TUC at Brighton. 9.30-10.00 p.m. TUC at Brighton. 10.00-10.30 p.m. TUC at Brighton. 10.30-11.00 p.m. TUC at Brighton. 11.00-11.30 p.m. TUC at Brighton. 11.30-12.00 p.m. TUC at Brighton. 12.00-12.30 p.m. TUC at Brighton. 12.30-1.00 p.m. TUC at Brighton. 1.00-1.30 p.m. TUC at Brighton. 1.30-2.00 p.m. TUC at Brighton. 2.00-2.30 p.m. TUC at Brighton. 2.30-3.00 p.m. TUC at Brighton. 3.00-3.30 p.m. TUC at Brighton. 3.30-4.00 p.m. TUC at Brighton. 4.00-4.30 p.m. TUC at Brighton. 4.30-5.00 p.m. TUC at Brighton. 5.00-5.30 p.m. TUC at Brighton. 5.30-6.00 p.m. TUC at Brighton. 6.00-6.30 p.m. TUC at Brighton. 6.30-7.00 p.m. TUC at Brighton. 7.00-7.30 p.m. TUC at Brighton. 7.30-8.00 p.m. TUC at Brighton. 8.00-8.30 p.m. TUC at Brighton. 8.30-9.00 p.m. TUC at Brighton. 9.00-9.30 p.m. TUC at Brighton. 9.30-10.00 p.m. TUC at Brighton. 10.00-10.30 p.m. TUC at Brighton. 10.30-11.00 p.m. TUC at Brighton. 11.00-11.30 p.m. TUC at Brighton. 11.30-12.00 p.m. TUC at Brighton. 12.00-12.30 p.m. TUC at Brighton. 12.30-1.00 p.m. TUC at Brighton. 1.00-1.30 p.m. TUC at Brighton. 1.30-2.00 p.m. TUC at Brighton. 2.00-2.30 p.m. TUC at Brighton. 2.30-3.00 p.m. TUC at Brighton. 3.00-3.30 p.m. TUC at Brighton. 3.30-4.00 p.m. TUC at Brighton. 4.00-4.30 p.m. TUC at Brighton. 4.30-5.00 p.m. TUC at Brighton. 5.00-5.30 p.m. TUC at Brighton. 5.30-6.00 p.m. TUC at Brighton. 6.00-6.30 p.m. TUC at Brighton. 6.30-7.00 p.m. TUC at Brighton. 7.00-7.30 p.m. TUC at Brighton. 7.30-8.00 p.m. TUC at Brighton. 8.00-8.30 p.m. TUC at Brighton. 8.30-9.00 p.m. TUC at Brighton. 9.00-9.30 p.m. TUC at Brighton. 9.30-10.00 p.m. TUC at Brighton. 10.00-10.30 p.m. TUC at Brighton. 10.30-11.00 p.m. TUC at Brighton. 11.00-11.30 p.m. TUC at Brighton. 11.30-12.00 p.m. TUC at Brighton. 12.00-12.30 p.m. TUC at Brighton. 12.30-1.00 p.m. TUC at Brighton. 1.00-1.30 p.m. TUC at Brighton. 1.30-2.00 p.m. TUC at Brighton. 2.00-2.30 p.m. TUC at Brighton. 2.30-3.00 p.m. TUC at Brighton. 3.00-3.30 p.m. TUC at Brighton. 3.30-4.00 p.m. TUC at Brighton. 4.00-4.30 p.m. TUC at Brighton. 4.30-5.00 p.m. TUC at Brighton. 5.00-5.30 p.m. TUC at Brighton. 5.30-6.00 p.m. TUC at Brighton. 6.00-6.30 p.m. TUC at Brighton. 6.30-7.00 p.m. TUC at Brighton. 7.00-7.30 p.m. TUC at Brighton. 7.30-8.00 p.m. TUC at Brighton. 8.00-8.30 p.m. TUC at Brighton. 8.30-9.00 p.m. TUC at Brighton. 9.00-9.30 p.m. TUC at Brighton. 9.30-10.00 p.m. TUC at Brighton. 10.00-10.30 p.m. TUC at Brighton. 10.30-11.00 p.m. TUC at Brighton. 11.00-11.30 p.m. TUC at Brighton. 11.30-12.00 p.m. TUC at Brighton. 12.00-12.30 p.m. TUC at Brighton. 12.30-1.00 p.m. TUC at Brighton. 1.00-1.30 p.m. TUC at Brighton. 1.30-2.00 p.m. TUC at Brighton. 2.00-2.30 p.m. TUC at Brighton. 2.30-3.00 p.m. TUC at Brighton. 3.00-3.30 p.m. TUC at Brighton. 3.30-4.00 p.m. TUC at Brighton. 4.00-4.30 p.m. TUC at Brighton. 4.30-5.00 p.m. TUC at Brighton. 5.00-5.30 p.m. TUC at Brighton. 5.30-6.00 p.m. TUC at Brighton. 6.00-6.30 p.m. TUC at Brighton. 6.30-7.00 p.m. TUC at Brighton. 7.00-7.30 p.m. TUC at Brighton. 7.30-8.00 p.m. TUC at Brighton. 8.00-8.30 p.m. TUC at Brighton. 8.30-9.00 p.m. TUC at Brighton. 9.00-9.30 p.m. TUC at Brighton. 9.30-10.00 p.m. TUC at Brighton. 10.00-10.30 p.m. TUC at Brighton. 10.30-11.00 p.m. TUC at Brighton. 11.00-11.30 p.m. TUC at Brighton. 11.30-12.00 p.m. TUC at Brighton. 12.00-12.30 p.m. TUC at Brighton. 12.30-1.00 p.m. TUC at Brighton. 1.00-1.30 p.m. TUC at Brighton. 1.30-2.00 p.m. TUC at Brighton. 2.00-2.30 p.m. TUC at Brighton. 2.30-3.00 p.m. TUC at Brighton. 3.00-3.30 p.m. TUC at Brighton. 3.30-4.00 p.m. TUC at Brighton. 4.00-4.30 p.m. TUC at Brighton. 4.30-5.00 p.m. TUC at Brighton. 5.00-5.30 p.m. TUC at Brighton. 5.30-6.00 p.m. TUC at Brighton. 6.00-6.30 p.m. TUC at Brighton. 6.30-7.00 p.m. TUC at Brighton. 7.00-7.30 p.m. TUC at Brighton. 7.30-8.00 p.m. TUC at Brighton. 8.00-8.30 p.m. TUC at Brighton. 8.30-9.00 p.m. TUC at Brighton. 9.00-9.30 p.m. TUC at Brighton. 9.30-10.00 p.m. TUC at Brighton. 10.00-10.30 p.m. TUC at Brighton. 10.30-11.00 p.m. TUC at Brighton. 11.00-11.30 p.m. TUC at Brighton. 11.30-12.00 p.m. TUC at Brighton. 12.00-12.30 p.m. TUC at Brighton. 12.30-1.00 p.m. TUC at Brighton. 1.00

by CLEMENT CRISP



Wood (script consultant for the series) and the rest by Mark Collman.

... ..

A series of six one-hour programmes on the life of Shakespeare is now being prepared by ATV. Shakespeare will be written by John Mortimer; the first episode will be directed by Peter Wood (script consultant for the series) and the rest by Mark Collman.

A series of six one-hour programmes on the life of Shakespeare is now being prepared by ATV. Shakespeare will be written by John Mortimer; the first episode will be directed by Peter Wood (script consultant for the series) and the rest by Mark Collman.

THE DEATH OF CHAIRMAN MAO

ALTHOUGH CHAIRMAN Mao Tse-tung's last years were overshadowed by the struggle for power among potential successors, he could be considered the outstanding national leader of our time. He was a remarkable combination of originality, political skill, great daring, and coarse peasant realism. Through his leadership of the Communist Party he welded into a cohesive nation a vast country that had been torn by war and revolution for decades. He evolved a radical contribution to Marxist-Leninism with his theory of the need for permanent revolution, but avoided most of the bloodshed that has stained the history of the Soviet Union. He rejected what he saw as Moscow's revisionism and showed how national aspirations could fragment the previously unbroken Communist monolith. He transformed a groaning political and social system, yet wrote—sometimes movingly—traditional Chinese poetry. His calligraphy was much admired.

His major failure may turn out to be his inability to ensure a smooth succession. Although he seems sometimes to have clung to power for his own sake, Mao was nevertheless an idealist of visionary level. He tried, as some of the early Cultural Revolution documents indicate, to inspire a society where all men would be truly equal and selfless, where acquisitiveness and corruption would wither away, where peasant and worker, bureaucrat and soldier would share the same labour and earn the same modest but adequate reward. His view had no room for the individual creative artist or intellectual. He probably failed on a national level, though he had remarkable success in spreading the theory, if not always the practice of his gospel.

This he expertly achieved through the technique of the political campaign. He, and in recent years his radical supporters exploited the desire of Chinese people to conform at least outwardly with what society expects. Pressure, even where it was only psychological, from group leaders to join in the current movement, whether it were to build small steel plants or to criticise party leaders, has been almost irresistible. Mao believed in mass mobilisation and the wisdom of the masses; influenced by his own experience in youth of Chinese intellectuals, he remained convinced that academic learning was frequently irrelevant.

Mao was born in 1893 of a moderately well-off peasant family in Hunan province. He

The peasant who rebuilt China

began his education with the Chinese classics, and in due course graduated to "a curious mixture of ideas of liberalism, democratic reformism and Utopian socialism," as he afterwards described it. By the age of 26, a year before the Chinese Communist Party was established with himself as a founding member, Mao considered himself a Marxist. He had had little formal education, and he could learn more from reading than from attending lectures. This self-reliance was characteristic of him all his life:

'The Foolish Old Man Who Removed the Mountains'

"There is an ancient Chinese fable called 'The Foolish Old Man Who Removed the Mountains.' It tells of an old man who lived in northern China long, long ago and was known as the Foolish Old Man of North Mountain. His house faced south and beyond his doorway stood the two great peaks, Taihang and Wangwu, obstructing the way. With great determination, he led his sons in digging up these mountains hoe in hand. Another grey-beard, known as the Wise Old Man, saw them and said derisively, 'How silly of you to do this! It is quite impossible for you few to dig up these huge mountains.' The Foolish Old Man replied, 'When I die, my sons will carry on; when they die, there will be my grandsons, and then their sons and grandsons, and so on to infinity. High

as they are, the mountains cannot grow any higher and with every bit we dig, they will be that much lower. Why can't we clear them away?' Having refuted the Wise Old Man's wrong view, he went on digging every day, unshaken in his conviction. God was moved by this, and he sent down two angels, who carried the mountains away on their backs. Today, two big mountains lie like a dead weight on the Chinese people. One is imperialism, the other is feudalism. The Chinese Communist Party has long made up its mind to dig them up. We must persevere and work unceasingly, and we, too, will touch God's heart. Our God is none other than the masses of the Chinese people. If they stand up and dig together with us, why can't these two mountains be cleared away?"

—Chairman Mao

"You can't solve a problem?" he wrote. "Well, get down and investigate the facts and its past history."

During the first United Front between the Communists and the Kuomintang, Mao had already begun to specialise in problems of peasant mobilisation, and when the front was wrecked by Chiang Kai-shek in 1927, Mao moved to the countryside. While the party's Central Committee in Shanghai continued to pin its hopes on the "urban proletariat"—as directed by the Comintern in Moscow—Mao remained in the field, characteristically more concerned with action than with

theory. He proved his worth as a leader in defeat. The whole history of the Chinese Communists from then until their victory in 1949 is stamped with the personality of Mao. While never losing sight of victory as the ultimate objective, Mao, and his movement, displayed a remarkable flair for adapting to the needs of the moment. In 1936 he was quick to seize the opportunity for a second United Front, with the Kuomintang, in common alliance against Japan. Ten years later, he was equally quick to accept the inevitability of civil war with the Kuomintang, and, of ultimate success.

After the Leap, Mao retired from the day-to-day handling of policy leaving Lin Shao-chi, the

party cadre par excellence and obvious heir, to run the country. But Mao grew disillusioned with Lin, the party and their methods, looked around for a more reliable heir, and lit upon Lin Biao, the army chief. Mao determined that since he could apparently no longer influence the party from within he would have to destroy it and rebuild it in a more revolutionary mould. He launched the Cultural Revolution in 1966. "Political power grows out of the barrel of a gun," he had written, and because he controlled the army, and the propaganda outlets he was able to bypass the normal channels of command. But by 1967 the country had dissolved into near-anarchy with student and worker groups running virtually private wars. The violence escalated, the army was called in to restore order, and the long process of rebuilding institutions began.

The chaos and political instability led directly to the 1971 coup by Lin, who was tempted to usurp Mao's position by the power the Army had already gained.

Reconstruction continued under Premier Chou. One wonders how far Mao sympathised with it. His overt role in the past few years was rather remote. His appearances were confined to the reception of overseas guests, which might argue an interest in foreign affairs, though it was a field in which, earlier, he had had little enthusiasm. And yet when China was emerging from its 1966-68 purdah, he was evidently ready to take the hand of the U.S. and to turn the robe of China was making into a huge diplomatic coup. This was not of course done without the able help of Premier Chou. Yet the boldness of the move and the relative suddenness bear the stamp of the Chairman himself.

His role in domestic politics has declined with increasing age and ill health. Despite that, it seems likely that until fairly recently he has been the moving spirit in attacks on "revisionists" in the Chinese Communist Party, most notably the late premier Chou En-lai's former heir Teng Hsiao-ping. This last campaign may turn out to be the one on which the judgment of history will finally rest. For Mao has all but destroyed the credible leadership that Chou set up. He has left behind him a China convulsed with ideological, political and social problems.

Colina MacDougall

Soviet Union plays down significance of event

THE SOVIET Union today sent its "deep condolences" to Chinese Communist leaders on the death of Mao Tse-tung but appeared keen to minimise the significance of the event. In contrast to the tributes to Mao's role on the world stage being paid by statesmen in many countries, the brief Soviet message from the Central Committee of the Soviet Party to its Chinese counterpart—omitted any praise or criticism.

The almost anonymous message read: "On the occasion of the death of the Chairman of the Central Committee of the Communist Party of China, Mao Tse-tung, accept our deep condolences. We also express our sympathy for the family of the deceased and his relatives."

The message, together with a one-sentence report on the

Ford praises 'the man of vision'

WASHINGTON, Sept. 9.

U.S. LEADERS today praised Mao Tse-tung and said they hoped Sino-American relations would not be affected by his death.

"Mao was a most remarkable and great man," President Ford told journalists at the White House. "He had vision and imagination to open the doors of the U.S. and the People's Republic of China could do things in a new era and a new day."

Asked what impact the Chairman's death might have on relations between the two countries, Dr. Kissinger indicated it was too soon to say.

He said he did not think the Chinese knew "what the impact of the death of such a tremendous figure will be for them and I do not think any of us know what the new leaders will do precisely."

He added: "I would think that interests having brought us together, common interests will keep us on a parallel course. But the methods and the details are bound to be mysterious."

Dr. Kissinger, who opened the way for U.S. relations with China with a secret visit to Peking in July, 1971, met Chair-

man Mao at least four times—the only senior American official to see him more than once.

The 1971 visit led to his toric trip to Peking by President Nixon in February 1972, when both countries pledged to work towards establishing full diplomatic relations.

He added: "The basis of relations between the United States and China is mutual interest and to some extent this is independent of personalities and the main lines of the foreign policy are likely to be continued."

"From our side, the process of normalisation will continue and I am sure that from the Chinese side, the basic lines of policy as we know will be pursued. I do not believe Chinese policy is basically influenced by the personal likes and dislikes of individuals."

In Paris, President Valéry Giscard d'Estaing said that he had been "deeply shocked" by the death of the Chinese leader.

"Having come from the popular depths of China and snatched it from past humiliation, he succeeded by the sheer vigour of his acts and by the audacity of his thinking in restoring it to the central place recognised by history."

President Giscard had been planning to visit China towards the end of this year or early next year, but no date had been fixed and it was not clear if the trip

OVERSEAS NEWS

Over 20 killed in new Cape riots

MORE THAN 20 people were killed today amid a rash of rioting and looting that turned white and segregated districts near Cape Town into debris-strewn battlegrounds.

By 9 pm police said they had killed 22 people, raising the toll of dead in 12 weeks of racial unrest to 327, in a day of rioting that flared throughout several towns on the southern Cape peninsula but largely bypassed Cape Town itself.

The details of the deaths were not immediately divulged in all cases, but of the latest 22 fatalities, 12 were in the coloured township of Mamelona, one in the middle-class coloured community of Grassy,

Park, one in the coloured township of Elsties River and one was in Paarl, where whites and coloureds live in segregated neighbourhoods.

One of the worst trouble spots was Paarl, a town 20 miles north-east of Cape Town, and police there described the situation as "very serious." The violence there centred on the Hugenot central business district, where a street that divided white and coloured neighbourhoods.

Another flashpoint was Mamelona, a segregated township eight miles from Cape Town. The area is plagued by crime in the best of circum-

stances, and police blamed youth gangs for much of the violence.

Six coloureds described by police as looters were shot. An eight-year-old boy was also killed.

The death toll today was one of the highest in a single day in the Cape area. It came in the wake of a stern warning by Prime Minister John Vorster that police would take new measures unless the rioting stopped.

Rioting raged in about 15 towns in the Cape peninsula as well as in the Black township of Galeshewe near Kimberley, 350 miles north-west of Cape Town. UPI

Kissinger to begin Africa shuttle with Nyerere talks

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

DAR ES SALAAM, Sept. 9.

DR. HENRY Kissinger is to arrive here on Tuesday for talks with President Nyerere. The visit is clearly intended by the U.S. Secretary of State to mark the beginning of a round of shuttle diplomacy between key leaders of black and white Africa.

Confirmation of Dr. Kissinger's arrival came shortly after the departure for Lusaka earlier today of special U.S. envoy William Schaefele, who met the Tanzanian President yesterday for about half an hour.

The brevity of that meeting indicates that it will be Dr. Kissinger himself who will tell President Nyerere of his talks last week-end in Zurich with South African Prime Minister John Vorster. It is thought Mr. Schaefele's visit here, like his meeting with Zambia's President Kaunda, was primarily concerned with the mechanics of Dr. Kissinger's visit.

The U.S. Secretary of State is expected to tell Dr. Nyerere of the consequences he thinks Mr. Vorster may be prepared to make in promoting negotiations towards the achievement of majority rule in Rhodesia and Namibia (South-West Africa).

In return, the Tanzanian President may outline the conditions of the recent five-point summit here, where the Front ANC under Bishop Muzorewa, and two factions, both formerly Botswana and Angola, and endeavoured once again to persuade the Rhodesian African nationalists to unite.

Proof that they failed was given concrete form this morning when the Rev. Nkomo announced that he had left the African National Council ZAPU led by Mr. Nkomo and was re-assuming his former ZANU where Mr. Mugabe is

position as president of the Zimbabwe African National Union—ZANU. He told a Press conference that the ANC, as formed in December, 1974, under the umbrella leadership of Bishop Muzorewa, had failed to achieve the unity required of it. It had not been able to control the military wings of the two former parties, ZANU and ZAPU.

Multi-racial delegates to the Namibia (South-West Africa) constitutional talks in Windhoek have agreed in principle to a three-stage system of government when the territory gains independence, informed conference sources told Reuters yesterday. The 44-man constitutional committee agreed that a multi-national central government will be the highest authority, regional councils will be next, and local management bodies the third.

What seems certain, however, is that Rhodesia's nationalists are in no mood or state at this point in time to engage in negotiations even if Mr. Smith's Government were to accept the prior condition of majority rule. Our Lusaka correspondents writes divisions in the ANC are an obstacle to any serious negotiations. The Rhodesian constitutional crisis, Mr. Schaefele declares here today.

Speaking on arrival in Lusaka from Dar es Salaam, he said the ends in the ANC were making it impossible to find an immediate solution to the problem of the Rhodesian crisis.

David Bell adds from Washington: Although the State Department would not officially confirm today that Dr. Kissinger is to go ahead there, it is thought extremely unlikely here that the Secretary of State will have any direct contact with Mr. Ian Smith who is to visit Pretoria next week, as officials stress that they want to continue to use Mr. Vorster as intermediary with the Rhodesian Prime Minister until some concrete leadership is agreed by Mr. Smith.

However, observers here believe that the practical effect given concrete form this morning when the Rev. Nkomo announced that he had left the African National Council ZAPU led by Mr. Nkomo and was re-assuming his former ZANU where Mr. Mugabe is

and had confused "the fundamental issue of the armed struggle."

On the face of it, there are now at least four different Rhodesian nationalist groups vying for political leadership: Mr. Joshua Nkomo's ANC, the ANC under Bishop Muzorewa, and two factions, both formerly Botswana and Angola, and endeavoured once again to persuade the Rhodesian African nationalists to unite.

But there was an element of criticism in his statement, implying that the changeover was necessary to improve co-ordination between the army, police and air force. Mr. Smith said:

"I am certain that the Chinese people and its leadership will continue to work in its spirit, together with the other peoples of the world, for the maintenance of peace and the progress of humanity."

Brussels: M. Francois-Xavier Ortoli, president of the European Economic Community's Executive Commission, described Chairman Mao as "one of the greatest figures of history and humanity," who by his thoughts and actions had for nearly half a century shaped the development of his own country and influenced the world.

New Delhi: Indian Prime Minister Indira Gandhi described Mao as an eminent statesman who led the resurgence and progress of the Chinese people.

Belgrade: Yugoslav President Josip Broz Tito describes the death as an "irreversible loss" for both China and the world.

Rome: Mao was "one of the most significant and fascinating personalities of our times," said Sig. Benigno Zaccagnini, leader of the ruling Italian Christian Democrat Party. Agencies

The pressure in this area would increase said Mr. Smith, who expected at next week's annual congress of the ruling Rhodesian Front.

It is asking too much to

Smith replaces defence minister

BY OUR OWN CORRESPONDENT

SALISBURY, Sept. 9.

IN A surprise move today, the Rhodesian Prime Minister, Mr. Ian Smith, announced the replacement of Mr. Pieter van der Byl as Minister of Defence by Mr. Reg Cowper, who became the formation of a "War Council" to co-ordinate military and civil defence.

Interrupting normal Parliamentary business, Mr. Smith said that Mr. van der Byl would retain his post as Minister of Foreign Affairs and take over the Public Services portfolio from Mr. Cowper, who became responsible for defence as well as for co-ordination.

As Minister of Co-ordination, Mr. Cowper has been intimately involved with defence matters, mainly through his responsibility for manpower and the call-up. Mr. Smith explained that for some time Mr. van der Byl had been devoting an increasing amount of his attention to foreign affairs and, in particular, to Rhodesia's constitutional problems.

The pressure in this area would increase said Mr. Smith, who expected at next week's annual congress of the ruling Rhodesian Front.

It is asking too much to

expect him to do justice to both demands," the Prime Minister said.

But there was an element of criticism in his statement, implying that the changeover was necessary to improve co-ordination between the army, police and air force. Mr. Smith said:

"I am certain that the Chinese people and its leadership will continue to work in its spirit, together with the other peoples of the world, for the maintenance of peace and the progress of humanity."

Brussels: M. Francois-Xavier Ortoli, president of the European Economic Community's Executive Commission, described Chairman Mao as "one of the greatest figures of history and humanity," who by his thoughts and actions had for nearly half a century shaped the development of his own country and influenced the world.

New Delhi: Indian Prime Minister Indira Gandhi described Mao as an eminent statesman who led the resurgence and progress of the Chinese people.

Belgrade: Yugoslav President Josip Broz Tito describes the death as an "irreversible loss" for both China and the world.

Rome: Mao was "one of the most significant and fascinating personalities of our times," said Sig. Benigno Zaccagnini, leader of the ruling Italian Christian Democrat Party. Agencies

The pressure in this area would increase said Mr. Smith, who expected at next week's annual congress of the ruling Rhodesian Front.

It is asking too much to

expect him to do justice to both demands," the Prime Minister said.

But there was an element of criticism in his statement, implying that the changeover was necessary to improve co-ordination between the army, police and air force. Mr. Smith said:

"I am certain that the Chinese people and its leadership will continue to work in its spirit, together with the other peoples of the world, for the maintenance of peace and the progress of humanity."

Brussels: M. Francois-Xavier Ortoli, president of the European Economic Community's Executive Commission, described Chairman Mao as "one of the greatest figures of history and humanity," who by his thoughts and actions had for nearly half a century shaped the development of his own country and influenced the world.

New Delhi: Indian Prime Minister Indira Gandhi described Mao as an eminent statesman who led the resurgence and progress of the Chinese people.

Belgrade: Yugoslav President Josip Broz Tito describes the death as an "irreversible loss" for both China and the world.

Rome: Mao was "one of the most significant and fascinating personalities of our times," said Sig. Benigno Zaccagnini, leader of the ruling Italian Christian Democrat Party. Agencies

The pressure in this area would increase said Mr. Smith, who expected at next week's annual congress of the ruling Rhodesian Front.

It is asking too much to

expect him to do justice to both demands," the Prime Minister said.

But there was an element of criticism in his statement, implying that the changeover was necessary to improve co-ordination between the army, police and air force. Mr. Smith said:

"I am certain that the Chinese people and its leadership will continue to work in its spirit, together with the other peoples of the world, for the maintenance of peace and the progress of humanity."

Brussels: M. Francois-Xavier Ortoli, president of the European Economic Community's Executive Commission, described Chairman Mao as "one of the greatest figures of history and humanity," who by his thoughts and actions had for nearly half a century shaped the development of his own country and influenced the world.

New Delhi: Indian Prime Minister Indira Gandhi described Mao as an eminent statesman who led the resurgence and progress of the Chinese people.

Belgrade: Yugoslav President Josip Broz Tito describes the death as an "irreversible loss" for both China and the world.

Rome: Mao was "one of the most significant and fascinating personalities of our times," said Sig. Benigno Zaccagnini, leader of the ruling Italian Christian Democrat Party. Agencies

The pressure in this area would increase said Mr. Smith, who expected at next week's annual congress of the ruling Rhodesian Front.

It is asking too much to

expect him to do justice to both demands," the Prime Minister said.

But there was an element of criticism in his statement, implying that the changeover was necessary to improve co-ordination between the army, police and air force. Mr. Smith said:

"I am certain that the Chinese people and its leadership will continue to work in its spirit, together with the other peoples of the world, for the maintenance of peace and the progress of humanity."

Brussels: M. Francois-Xavier Ortoli, president of the European Economic Community's Executive Commission, described Chairman Mao as "one of the greatest figures of history and humanity," who by his thoughts and actions had for nearly half a century shaped the development of his own country and influenced the world.

New Delhi: Indian Prime Minister Indira Gandhi described Mao as an eminent statesman who led the resurgence and progress of the Chinese people.

Belgrade: Yugoslav President Josip Broz Tito describes the death as an "irreversible loss" for both China and the world.

Rome: Mao was "one of the most significant and fascinating personalities of our times," said Sig. Benigno Zaccagnini, leader of the ruling Italian Christian Democrat Party. Agencies

The pressure in this area would increase said Mr. Smith, who expected at next week's annual congress of the ruling Rhodesian Front.

It is asking too much to

expect him to do justice to both demands," the Prime Minister said.

But there was an element of criticism in his statement, implying that the changeover was necessary to improve co-ordination between the army, police and air force. Mr. Smith said:

"I am certain that the Chinese people and its leadership will continue to work in its spirit, together with the other peoples of the world, for the maintenance of peace and the progress of humanity."

Brussels: M. Francois-Xavier Ortoli, president of the European Economic Community's Executive Commission, described Chairman Mao as "one of the greatest figures of history and humanity," who by his thoughts and actions had for nearly half a century shaped the development of his own country and influenced the world.

New Delhi: Indian Prime Minister Indira Gandhi described Mao as an eminent statesman who led the resurgence and progress of the Chinese people.

Belgrade: Yugoslav President Josip Broz Tito describes the death as an "irreversible loss" for both China and the world.

Rome: Mao was "one of the most significant and fascinating personalities of our times," said Sig. Benigno Zaccagnini, leader of the ruling Italian Christian Democrat Party. Agencies

The pressure in this area would increase said Mr. Smith, who expected at next week's annual congress of the ruling Rhodesian Front.

It is asking too much to

expect him to do justice to both demands," the Prime Minister said.

But there was an element of criticism in his statement, implying that the changeover was necessary to improve co-ordination between the army, police and air force. Mr. Smith said:

"I am certain that the Chinese people and its leadership will continue to work in its spirit, together with the other peoples of the world, for the maintenance of peace and the progress of humanity."

Brussels: M. Francois-Xavier Ortoli, president of the European Economic Community's Executive Commission, described Chairman Mao as "one of the greatest figures of history and humanity," who by his thoughts and actions had for nearly half a century shaped the development of his own country and influenced the world.

New Delhi: Indian Prime Minister Indira Gandhi described Mao as an eminent statesman who led the resurgence and progress of the Chinese people.

Belgrade: Yugoslav President Josip Broz Tito describes the death as an "irreversible loss" for both China and the world.

Rome: Mao was "one of the most significant and fascinating personalities of our times," said Sig. Benigno Zaccagnini, leader of the ruling Italian Christian Democrat Party. Agencies

The pressure in this area would increase said Mr. Smith, who expected at next week's annual congress of the ruling Rhodesian Front.

It is asking too much to

expect him to do justice to both demands," the Prime Minister said.

But there was an element of criticism in his statement, implying that the changeover was necessary to improve co-ordination between the army, police and air force. Mr. Smith said:

"I am certain that the Chinese people and its leadership will continue to work in its spirit, together with the other peoples of the world, for the maintenance of peace and the progress of humanity."

Brussels: M. Francois-Xavier Ortoli, president of the European Economic Community's Executive Commission, described Chairman Mao as "one of the greatest figures of history and humanity," who by his thoughts and actions had for nearly half a century shaped the development of his own country and influenced the world.

New Delhi: Indian Prime Minister Indira Gandhi described Mao as an eminent statesman who led the resurgence and progress of the Chinese people.

Belgrade: Yugoslav President Josip Broz Tito describes the death as an "irreversible loss" for both China and the world.

Rome: Mao was "one of the most significant and fascinating personalities of our times," said Sig. Benigno Zaccagnini, leader of the ruling Italian Christian Democrat Party. Agencies

The pressure in this area would increase said Mr. Smith, who expected at next week's annual congress of the ruling Rhodesian Front.

It is asking too much to

expect him to do justice to both demands," the Prime Minister said.

But there was an element of criticism in his statement, implying that the changeover was necessary to improve co-ordination between the army, police and air force. Mr. Smith said:

"I am certain that the Chinese people and its leadership will continue to work in its spirit, together with the other peoples of the world, for the maintenance of peace and the progress of humanity."

Brussels: M. Francois-Xavier Ortoli, president of the European Economic Community's Executive Commission, described Chairman Mao as "one of the greatest figures of history and humanity," who by his thoughts and actions had for nearly half a century shaped the development of his own country and influenced the world.

New Delhi: Indian Prime Minister Indira Gandhi described Mao as an eminent statesman who led the resurgence and progress of the Chinese people.

Belgrade: Yugoslav President Josip Broz Tito describes the death as an "irreversible loss" for both China and the world.

Rome: Mao was "one of the most significant and fascinating personalities of our times," said Sig. Benigno Zaccagnini, leader of the ruling Italian Christian Democrat Party. Agencies

The pressure in this area would increase said Mr. Smith, who expected at next week's annual congress of the ruling Rhodesian Front.

It is asking too much to

expect him to do justice to both demands," the Prime Minister said.

But there was an element of criticism in his statement, implying that the changeover was necessary to improve co-ordination between the army, police and air force. Mr. Smith said:

"I am certain that the Chinese people and its leadership will continue to work in its spirit, together with the other peoples of the world, for the maintenance of peace and the progress of humanity."

Brussels: M. Francois-Xavier Ortoli, president of the European Economic Community's Executive Commission, described Chairman Mao as "one of the greatest figures of history and humanity," who by his thoughts and actions had for nearly half a century shaped the development of his own country and influenced the world.

New Delhi: Indian Prime Minister Indira Gandhi described Mao as an eminent statesman who led the resurgence and progress of the Chinese people.

Belgrade: Yugoslav President Josip Broz Tito describes the death as an "irreversible loss" for both China and the world.

AMERICAN NEWS

Threat to Carter lead seen as Ford counter-attacks

BY DAVID SELL

THE LATEST public opinion in the campaign. Mr. Carter's poll released today, continues to show him leading over Mr. Jimmy Carter a substantial lead in the battle with President Ford, but also suggests that in many key states Mr. Carter's lead is now much narrower than a week ago.

The Harris survey gives Mr. Carter a 53 to 38 per cent. lead over the President in a national poll. In the battle between the two, Mr. Eugene McCarthy, the former Minnesota Senator who did so well in the 1968 primary campaign, is also running this time as an independent. When his name is added to Mr. Carter's lead slips to 49 per cent. over the President's 38 per cent. In the ten largest states, Harris gives McCarthy 7 per cent. of the vote, leaving Mr. Carter with a lead over the President of only 44 to 56 per cent. It is, of course, still very early.



The Democratic candidate. His own polls have led him to spend much of this first week wooing the ethnic urban vote which he continues to be suspicious of. But his campaign has so far been marred by vicious anti-

WASHINGTON, Sept. 9.

abortion demonstrations and by a number of minor blunders which have left him open to Republican attacks.

This morning, addressing the same Jewish B'nai B'rith organization which heard Mr. Carter yesterday, Mr. Ford rejected his opponent's charge that the administration has tacitly allowed U.S. companies to comply with the Arab boycott of Israel. He claimed that he had brought an end to "open discrimination" and then roundly attacked Mr. Carter for criticising U.S. arms sales abroad, saying that to cut off military aid to "moderate Arab nations" would force them to turn to the Soviet Union for help.

But Mr. Ford did not say what he intends to do with the Tax Bill now before him which would cut off some foreign tax advantages to companies complying with the boycott and which until now he has always opposed. Nor did he offer any concrete proposals on what the administration intends to do about the boycott—a subject very close to the heart of his audience.

The President did say that Mr. Carter's proposed defence cuts coupled with his plan to withdraw some forces from overseas and impose stricter limits on arms sales would make it "impossible" for the U.S. to defend Israel and other allies.

This was Mr. Ford's first speech of the week and his own campaign still appears to be badly organised and far from clear about how best to deal with Mr. Carter. The President has, however, managed to use his position to the full in the past few days and a stream of carefully staged "Presidential" news conferences, Bill signings and statements has been issuing from the White House and duly finding its way on to the television news. This tactic allows Mr. Ford to pounce on apparent misstatements by Mr. Carter, "fix" them, and then accuse him of talking out of both sides of his mouth at once, a charge that the Republicans still think is most likely to stick.

New York lottery starts up again

By Our New York Staff

NEW YORK, Sept. 9.

THE NEW YORK State lottery, closed down last October after a scandal over mismanagement, has sprung to life again in the form of the "Empire Stakes"—this lottery differing from the old one in that its participants can be "instant" winners.

Under the old rules, one purchased a ticket and then waited a period of two weeks or so before checking a long list of published winners. In the new game—which is being taken so seriously by New Yorkers that in the game's first 40 minutes 1,500 tickets were sold at one outlet alone—numbers are printed on the tickets themselves, and, when the substance hiding them is scratched out, quickly reveal whether the ticket holder has won or lost.

Odds on winning the jackpot—\$1,000 a week for life, with total payment not to be under \$1m. are about 25m. to one—and two city residents won that prize yesterday. The smallest prize, \$2 can be won with odds of about 3 to 1.

In between, there are prizes for \$2,500 in groceries—this being won by a special addition to the lottery tickets. At the bottom of the card a letter is hidden, and if the letters to spell "New York" are collected, the prize is won. It would seem that many have collected the "N" and the "Y" but the "W" is harder to come by.

Apparently the "instant" nature of the lottery came about through an attempt to avoid past mistakes. Investigations revealed that some of the "winning" tickets were in fact never sold, and not all the prizes were distributed. Officials believe that immediate payment will avoid this.

The new game is scheduled to run for 10 to 14 weeks, with another round planned for January.

U.S. backs loan plan amendments

THE U.S. Emergency Loan Guarantee Board has approved amendments to the 1971 agreement between Lockheed and its banks to permit a financial restructuring plan for the company, the Treasury Department said today.

The Board also approved changes in the 1971 agreement to prohibit, as part of the Government guarantee agreement, improper payments in connection with the use of lying \$400m. non-guaranteed

foreign consultants and the maintenance of funds outside normal channels of corporate accountability.

It said the plan represents a completion, with modifications, of a scheme approved by the Board in 1975 which was not fully implemented because of disclosures about improper payments by Lockheed.

Under the plan's main provisions there will be a conversion of \$50m. of Lockheed's under-

WASHINGTON, Sept. 9.

bank loans under the 1971 agreement into a new series of Lockheed Preferred stock, the Board said.

The plan also calls for replacing the remaining \$350m. of non-guaranteed bank loans, now in the form of 90-day revolving notes, into a term loan extending through 1981, as well as issuing warrants for the purchase of \$3.5m. shares of Lockheed Common stock.

Agencies.

According to the Frankfurt Rundschau, the Federal Defence Ministry paid commissions of DM1m. to a Swiss agent for Lockheed and DM2.5m. to a West German agent in connection with the 1961 original order for 96 Starfighters, although they had apparently had little part in arranging the deal in 1961.

One of the payments, to the Swiss company of Fred C. Moser, was criticised by the auditor's office and later reduced.

The auditor's office report also questioned miscellaneous items said to include "gifts and donations" for which the Defence Ministry paid some DM6.8m. in connection with the Lockheed order.

The Frankfurt Rundschau also claimed that the West German sales agent involved, Herr Günther Frank-Fabbe, had connections with the CSU. The newspaper stated that this information came from Mr. Ernest Hauser, the former Lockheed lobbyist here, who has accused Herr Strauss and his party of benefiting from Lockheed's largesse.

The Frankfurt Rundschau pointed out that while the CSU may dispute Mr. Hauser's accusations, he has been proved right in other aspects of his testimony about Lockheed.

honourably relieved of his relieved of all his main military posts by royal decree because of his involvement in the Lockheed scandal, it was announced here to-night.

A royal decree published in the state Gazette said that as the top-ranking officer of all three armed forces, the decree said, Reuter

Payment on IOS holdings agreed

By James Scott

TORONTO, Sept. 9.

A FIRST distribution of assets to holders of IOS Growth Fund units is to be made on September 15 by the liquidator of the fund, Touche Ross and Company of Toronto. The distribution will be \$3.50 funds per unit. A second distribution is expected to be made next year.

IOS Growth Fund, also known as Transglobal Growth Fund, went into liquidation in August, 1973, and since then the liquidator has been able to trace 5,059 unit holders. Of these 4,314 unit holders will receive the first distribution.

At this time, lack of documentation at the liquidation processing offices in Ferney Voltaire in France precludes payment to the remaining unit holders.

The majority of unit holders live in Europe, mainly in West Germany. In addition there are some unit holders in Britain, Canada and the U.S.

Canada consumer price index rises

OTTAWA, Sept. 9.

CANADA'S consumer price index rose by 0.5 per cent. in August compared with 0.4 per cent. in July, Statistics Canada said.

The index (base 1971) stood at 150.9 in August, up from 149.3 in July and 141.2 in August, 1975. The August index was 8.2 per cent. higher than in August last year.

Statistics Canada said that the lower-than-usual increase in the index during the month was attributable to a 0.5 per cent. decline in food prices between July and August. Usually food prices rise between the two months. Reuter

Senate approves budget

WASHINGTON, Sept. 9.

THE SENATE today approved Senate Budget Committee, called a \$412.3bn. Federal budget for the current unemployment rate next year which Democrats of 7.9 per cent. "unconscionable" would put 1.5m. Americans back to work. The vote was 55 to 23.

The House of Representatives was to vote later on the version of the budget for 1977, which begins on October 1.

Before the vote, Senator Edmund Muskie, chairman of the UPI

Kodak defers camera sale

ROCHESTER, Sept. 9.

EASTMAN KODAK will today our marketing attention on these its dealers in the U.S. and Canada currently existing production have been told that the Kodak EK4 instant camera, a folding model, to be manufactured by Kodak introduced the EK4 and Kodak AG in West Germany will not be available for sale there.

A Kodak spokesman said U.S. instant print film in April when and Canadian demand, for EK4 it indicated its intention to market and EK4 instant cameras and limited quantities of the EK4 Kodak instant print film have cameras in the U.S. before the expected expectations, and that end of 1976.

It is our intention to concentrate AP-DJ

Argentina will compensate Siemens, ITT over contracts

The Argentine Government has agreed to pay compensation to ITT Corp. and Siemens AG over contracts broken by the ousted Peronist administration, AP-DJ reports from Buenos Aires.

An official communiqué announcing the decision said that the Government had agreed to resume the broken contracts. The action taken in 1973 affected delivery of telephone equipment from the companies to the Government in the last three years.

The communiqué said that the Government will pay nearly \$4m. in Argentine pesos to the companies, plus DM17m. to Siemens of West Germany. It said that the total amount to be paid to the local ITT subsidiary, Standard Electric Argentina, will be \$1.9m.

Car strikes continue

More than 9,000 car industry workers defied a military Government ban on strikes and yesterday continued stoppages and slowdowns against four foreign car makers, AP-DJ reports from Buenos Aires. The companies are Ford, Chrysler, General Motors and Fiat.

The Government decreed jail terms of one to ten years for strikers but no arrests were reported among car workers.

New Mexican taxes

The Mexican Government has imposed new taxes to discourage imports following devaluation of the peso, AP-DJ reports from Mexico City. The Ministry of Industry and Commerce said that the levies, effective immediately, range from two per cent. on airplane parts from abroad to as much as 75 per cent. on rugs, jewellery and other luxury items.

Peru pipeline

The Peruvian Government has approved exceptional advantages for the construction company eventually selected to build a 150-mile connection with the northern Peru pipeline, which when completed could make Peru an oil exporter, AP-DJ reports from Lima. A decree published in the official gazette "El Peruano" said that the contracting company would be allowed to operate without paying the taxes normally collected on such work in Peru.

Caribbean trade

Trade officials from the Caribbean Community (Caricom) and Canada are next week to continue talks revision of the agreement which has governed trade between the two areas for the past 50 years, writes Canute James in Kingston. The officials first met in Ottawa last November where they started work on updating the 1925 Canada-West Indies trade agreement.

Factory profits rise

U.S. Factory profit margins in the second quarter widened more than 13 per cent. from the first quarter level, the Federal Trade Commission reported yesterday, according AP-DJ. Manufacturing profits in the quarter rose to an average 5.9 cents for each dollar of sales, up from 5.2 cents in the preceding quarter. Profits on non-durable goods rose to \$3.07bn. from \$3.12bn. and on durables to just under \$9bn. from \$8.7bn.

Hydroelectric contract

British Columbia Hydro and Power Authority has said that it has awarded a \$107.5m. contract to a four-company joint venture for construction of a dam and hydroelectric generating plant near the town of British Columbia, AP-DJ reports from Vancouver.

Carago Depositary Receipts of ordinary shares SANYO ELECTRIC CO., LTD.

With reference to the advertisement of the 30th June, 1976, the undersigned announce that the original shares emanating from the 10% share bonus issue have been received. This bonus is now available to the holders of CDRs upon presentation of the coupons no. 15 against which CDRs cum coupon no. 17 will be issued.

The number of bonus coupons presented should be such that CDRs of 10, 20 or 100 depositary shares can be obtained. After December 1st next, the entitlement of the coupons no. 15 then not yet presented will be sold, whereupon the proceeds after deduction of charges will be made available in cash.

In addition, an interim dividend distribution of Yen 3 per share will be made to cash for the financial year ending 30th November, 1976. Effective 10th September, 1976, this dividend will be payable, after deduction of 20% Japanese tax, on the coupons no. 15 of the depositary receipts as follows:

\$ 4.08 per CDR of 10 depositary shares of 50 ord. shares
\$ 8.16 per CDR of 20 depositary shares of 50 ord. shares
\$40.80 per CDR of 100 depositary shares of 50 ord. shares

Residents of countries which have concluded a tax treaty with Japan may, only afterwards, claim a 5% tax refund in Japan. The coupons nos. 15 and 16 may be presented in London to The Sumitomo Bank Ltd., 5, Moorgate, London EC2R 6HU.

Hamburg to Bank Mees & Hope NV, Pelzerstrasse 2.
Paris to Banque de l'Union Européenne, 4, rue Gaillon, 75 Paris 2e.

New York to Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10016.

Amsterdam to Bank Mees & Hope NV, Herengracht 548.
BANK MEES & HOPE NV as duly authorized Agent of Carneth Administration Company N.V.

Amsterdam, 10th September, 1976.

IRELAND

Welcome turnaround at half-year

The Directors of ERNEST IRELAND LIMITED present the unaudited Group results for the six months ended 30th June 1976:

	6 months to 30.6.76	6 months to 30.6.75	Year to 31.12.75
let profit/(loss)	202,000	(930,000)	(4,242,127)
before taxation	202,000	(930,000)	(1,622,976)
taxation	—	—	—
group profit/(loss)	202,000	(600,000)	(2,619,151)
after taxation	202,000	(600,000)	(2,619,151)
less minority interest	57,000	(63,000)	63,223
share of profit/(loss)	145,000	(537,000)	(2,682,374)
Extraordinary items	145,000	(537,000)	(2,682,374)
less extraordinary items	—	—	(164,368)
profit/(loss) attributable to ordinary shareholders	145,000	(537,000)	(2,846,742)

The Directors are unable to recommend payment of an interim dividend.

though the profit for the half-year is modest it represents a welcome turnaround in the profitability of the Group. The construction companies add a total profit of \$612,000 but a loss of £410,000 must be set against the sum for the expenses and interest charges of the (Properties) (Jones) and (Electronics) Companies. The full year will show construction profits well in excess of £1 million but losses from the remaining subsidiaries will reduce this figure considerably.

The Board intend that the Group will be on a firm basis of financial improvement by the Annual General Meeting next year. Thus the policy concentrating on the construction activities of the Group has continued financing and reducing the liabilities in development projects. Four development projects are now under offer and successful completion of further reduce borrowings in line with the previous reports. Negotiations for the sale of Ernest Ireland (Electronics) Ltd. are progressing and if the offer is considered satisfactory shareholders will be informed.

The Group turnover for the year will be approaching £30 million with a overseas element of some £5 million in addition. Approximately 10% of next year's turnover on this basis has now been gained and the full figure for 1977 is expected to be similar to this year. The borrowing facilities of the Group continue to receive bank support. Your Board believe that profitable construction work can be maintained and this a Group's present difficulties overcome with a consequent return to profitability.

J. D. FitzJohn, Chairman.

September, 1976.

ERNEST IRELAND

Building & Civil Engineering Contractors Property Developers



London
Kuwait
Kuala Lumpur
Singapore

Monday & Friday 8.30 p.m.

(Departing London)

with connection at Kuala Lumpur

Contact your travel agent or MAS Office
Tel: London 01-629-5891/4

Fly with A Touch of Gold
mas
malaysian airline system

BANDAR SERI BEGAWAN • BANGKOK • RAJAHMUNDRAM • HONG KONG • JAKARTA • KOTA KINABALU • KUALA LUMPUR • KUCHING • KUWAIT • LONDON • MADRAS • MANILA • MEDAN • MELBOURNE • PENANG • SINGAPORE • SYDNEY • TAIPEI • TOKYO

EUROPEAN NEWS

U.K. likely to oppose call for fewer IMF gold sales

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRITAIN IS expected to express strong opposition to Italy's demand for less frequent international Monetary Fund gold sales when the EEC monetary committee meets tomorrow in Copenhagen.

The U.K. hopes that West Germany and the Netherlands will join it in resisting any move to stretch out the timetable for the planned IMF auctions, which Italy claims have been a major factor behind the recent sharp drop in the free market price of gold.

While it was not clear this evening exactly what line the West German and Dutch Governments planned to take, both have in the past tended to support the principle of the gold sales, Kingston, Jamaica, last January,

BRUSSELS, Sept. 8.

at which it was decided that the profits would be made available to the developing countries.

Moreover, it is argued that any slowing of the timetable would impede the achievement of the demonetisation of gold by effectively placing a floor under the gold price — albeit at a much lower level than the \$150 per ounce prevailing when the Kingston agreement was reached.

Or at least equal importance in the British Government's thinking, though, is its desire to avoid giving any offence to the U.S. Administration in advance of its expected application for a new drawing on the Fund later this year, when its \$5.3bn. international short-term standby credit expires.

'Little hope for Cyprus accord'

THE SWEEPING victory in the Greek-Cypriot elections this week by the coalition backing Archbishop Makarios holds out no real prospect for a negotiated settlement to the Cyprus problem, Mr. Rauf Denktaş, the Turkish-Cypriot leader, said in an interview with the Financial Times.

Accordingly, his administration, in consultations with Turkey, would now have to give serious consideration to declaring the Turkish-held part of the island

and independent state.

Mr. Denktaş, who himself won a landslide victory last June for the presidency of the "Turkish Federated State of Cyprus," left the clear impression that he personally favoured such a step. But no final move for a unilateral declaration of independence could be taken without the approval and support of Turkey itself.

There is also speculation in diplomatic circles in Nicosia that the Turkish-Cypriot

administration may move shortly to populate Famagusta, which was taken as part of the Turkish invasion of Cyprus more than two years ago but has remained unoccupied ever since.

This fact held out the prospect that the important Famagusta region at least would be "negotiable" as part of any peace settlement reached through the international talks under the auspices of Dr. Kurt Waldheim, UN Secretary-General.

London stake of Herstatt dealer

BY GUY HAWTIN

FRANKFURT, Sept. 8.

ONE OF THE eight people arrested by West German police in connection with the collapse of the Herstatt Bank in June, 1974, has a substantial holding in a London firm of foreign exchange brokers. He is Herr Norbert Arden, a Frankfurt foreign exchange broker.

Herr Arden, who is still in custody in Cologne, is understood to have dealt in the Frankfurt foreign exchange market for Herstatt. When the Cologne-based bank collapsed its losses were estimated at DM1.2bn. (\$285m.), the bulk of which occurred in foreign currency and precious metals dealings.

The British concern in which Herr Arden is an important shareholder is the old-established firm of foreign exchange brokers, Savage and Heath International.

founder members of the Association of Foreign Exchange Dealers.

Herr Arden holds a 45 per cent. interest in Savage and Heath International but is not a director of the concern. He is also an executive of and a substantial shareholder in, the West German foreign exchange broking firm, Intervall, which operates out of Oberursel near Frankfurt.

Mr. Larry Woolman, chairman of Savage and Heath, said today that Herr Arden bought his interest in the London concern early in 1974. (This was some months before Herstatt finally closed its doors.)

In compliance with the regulations governing foreign shareholdings in British foreign exchange brokerages, the Bank of England was informed before

the deal went through, said Mr. Woolman. The Bank approved the transaction, without raising any difficulties.

"Whatever he may be alleged to have done in West Germany," said Mr. Woolman, "he was absolutely above board with us. Naturally as a major shareholder, we did him the courtesy of consulting him before taking really important decisions, but he played no part in the running of the company. This is, naturally, the prerogative of the directors."

The Bank of England confirmed that Savage and Heath had applied for approval of Herr Arden's taking a stake in the concern. This had been given, said Mr. Woolman, as Herr Arden was not to be appointed a director and was understood not to be taking an active part in the running of the concern.

Portugal austerity plan 'to avert economic collapse'

BY PAUL ELLMAN

LISBON, Sept. 8.

PORTUGAL'S Prime Minister, Dr. Mario Soares, to-night staked the future of his minority Socialist Government on planned austerity measures which he implied had been made necessary by two years of Communist-inspired agitation.

Dr. Soares, in an hour-long television address, said that his Government would take steps to curb wages, control prices, clamp down on strikes and increase the present import surcharge from 20 to 30 per cent.

The Premier was originally scheduled to speak to the nation last night but was reportedly obliged to postpone his appearance because the President, General Ramalho Eanes, felt that he had not gone far enough.

Dr. Soares, visibly tired and stammering at points, warned the Portuguese that their country faced short-term economic catastrophe unless his cabinet took early measures to restore the situation.

Clearly tilting at his Communist opponents who have vowed to fight tooth and nail against what they termed in advance "capitalist recuperation," Dr. Soares pledged that he would strike at a "certain political party" which he accused of "stirring up trouble" whilst speaking in the name of "the workers."

The Prime Minister said that he would restore discipline in Portuguese factories which have been hit by a decline in productivity estimated at 40 per cent. and have been weakened by rampant absenteeism.

Significantly, he pledged that his Government would not practice whereby workers are entitled to continue drawing their wages while on strike and vowed an end to politically inspired stoppages.

Control

The Soares Government has already promised to amend industrial relations laws which have allowed the Communists and their allies to take control of the national labour confederation, the Interindustrial.

The Prime Minister also announced that his Government would tighten up on budgeting in State-owned enterprises, which account for some 70 per cent. of Portugal's manufacturing capacity as a result of nationalisation that took place under the Left-wing dominated governments of early 1975.

This was seen here as a step towards preventing banks

from extending credits to publicly-owned companies to allow them to meet rising wage bills. Around half of state-owned businesses are reliably understood to have severe cash flow problems resulting directly from their inability to meet their wage bills.

Challenge

In a further challenge to the Communists and the revolutionary left, Dr. Soares denounced the ravages resulting from wildcat land seizures tolerated by left-wing civil servants responsible for the agrarian reform programme. "The Alentejo is on the way to economic ruin," the Premier said, in a reference to the southern half of the country where the bulk of the land grabs have occurred.

Sliding food production caused by the disorders of agrarian reform was a contributing factor to the pressures exerted upon the Prime Minister to take stern economic measures in order to improve Portugal's trading position, which is expected to show a balance of payments deficit of \$1.5bn. this year.

To-night's announcement by Dr. Soares came against the background of a flat refusal by Bank of Portugal officials to initiate any further credit-raising contracts overseas unless they were given evidence that the Government was taking concrete steps to improve the situation at home.

Nevertheless, the Prime Minister had to battle against opposition from leading figures in his cabinet who argued, in the case of the Left wing, that the measures urged upon him were politically intolerable, or again those who, in a more pragmatic vein, feared that they could damage the Socialist prospects in local elections scheduled for December.

With the latter in mind, Dr. Soares announced a public works programme valued at some \$850m. designed to ease unemployment, currently running at 15 per cent.

The Prime Minister acknowledged that Portugal's once-strong foreign currency reserves, almost the only positive legacy of 50 years of dictatorship, were all but exhausted. However, he claimed that the plans announced to-night would open up new credit lines to friendly countries and international monetary organisations.

Under these circumstances, although Italian industry is substantially increasing turnover, its utilisation of plant, and its labour productivity, it is only rarely taking on more labour, and showing a marked reluctance to invest in anything but labour-saving plant. With the discount rate at 12 per cent. and prime rate at 19.5 per cent., and the overall cost of borrowing to most small and medium companies well over 25 per cent. in many cases, there is little wonder that investment is at a low level and that confidence in the longevity of the current relatively high level of output and demand is fragile. Once again the economy is living from hand to mouth.

In recompense there are several indications that public opinion is now coming around of the idea that unless a start is made to unravelling a long series of interconnected distortions, the economy is destined to continue suffering the sort of stop-go which has characterised the last six or seven years, with ever longer periods of stop. After years of confusion and troubles which undermined the economic system created in the 1960s, shook the confidence of private industrialists, saw the rise of militant trade unionism, and created a demand, both for greater State participation in the economy and higher social spending, there are now signs of what Mr. Soares calls "a return to common sense."

On the one hand a generation of private industrialists has grown up who accept philosophically many of the limitations created by social legislation, the trade unions, and the changed political and social climate, while acquiring greater self-confidence about asserting the value of private enterprise as an efficient user of resources and creator of

wealth. On the other hand, Mr. Soares recognises the considerable short made by the Communist Party in particular to re-think many of its old dogmas.

The traditional belief of the Left in the intrinsic superiority of State enterprise has undergone a significant change in recent years. Party theorists have begun to recognise the creative function of entrepreneurship and to talk the role of small and medium private enterprise. The party as a whole is in favour of

staying within Nato and playing an active role within the Common Market. At its economic conference earlier this year the conference theme was the need for Italy to remain competitive internationally reduce parasitism and inefficiency, and to address the payments deficit—an aim which the party economists writing in the theoretical organ *Rinascita*, last month, recognised as meaning faster growth of output than incomes, so as to release resources for export—in other words wage restraint.

As the Prime Minister, Sig. Giulio Andreotti demonstrated in his patient effort to work out a government programme, there now exists a broad agreement among all the political parties as to the nature of the economic problems. What still has to be proved is whether this agreed analysis can be translated into concrete steps to put the economy right. Sig. Andreotti believes that the measures which have to be taken to reduce inefficiency and establish clear economic guidelines on market criteria, demand a considerable degree of political cohesion and authority, both from the Government and Parliament.

For him the new factor in the present political situation is the enhanced role of Parliament, now that the Christian Democrat minority Government depends for its survival on the abstention of the Communists and others in Parliament, and that the Communist Party plays a key role in the parliamentary legislative committees which it intends to use to influence the Government.

Fruitful

Experiences shows that it is useless to forecast the duration of an Italian Government, but Sig. Andreotti believes that the Government could survive for a useful period, if Government and Parliament establish a fruitful working relationship.

The most important thing to watch is whether Parliament manages to control the nature and quantity of public expenditure. It will be possible to judge from the debate on the 1977 budget, which takes place later this month.

Reducing the public sector deficit is one of the aspects which Sig. Paolo Savona, the 42-year-old economist whom Sig. Andreotti tempted out of the Bank of Italy to lay the basis for a "think tank"

ITALY'S ECONOMIC PROSPECTS

A 're-entry' problem

BY ANTHONY ROBINSON, IN ROME

SIG. GUIDO CARLI, the former governor of the Bank of Italy, who last July took over from Sig. Gianni Ameli the task of running the Italian industrialists' association, Confindustria, has just returned from a sweep through Northern Italy, meeting mainly the small and medium industrialists who make up the base of the association and who are also one of the principal motors of the economy. He has also just put forward a more detailed version of a highly controversial plan to transform part of the accumulated bank debts of companies into share capital to be held by the banks themselves on a consortium basis with an eventual aim of offering them to the public.

His visit, to make contacts and listen to the views of industrialists at first hand, coincided with a time when Italy is benefiting from the international economic upturn, which has been accompanied, however, by a deterioration of the balance of payments and a sharp revival of inflation.

Industrial production was up by 8.2 per cent. in the first half of the year, but is still below the boom levels of the first half of 1974. Exports (fob) rose 30.5 per cent. in lira terms to L13,785bn., while imports (cif) rose no less than 45 per cent. to L16,583bn., leaving a deficit of L2,800bn. (\$2,048m.), three times the deficit of the first half of 1975. In volume terms exports rose 12 per cent. and imports 22 per cent. At the same time consumer prices, which were rising at an annual rate of just under 11 per cent. in January, did so at an annual rate of 16.5 per cent. in July. Furthermore, lira devaluation, coupled with the automatic adjustment of pay through the indexed cost of living allowance system and the continuing high level of the public sector deficit presage a worsening of inflation and underscore the fundamental fact that as at present developing economic growth in Italy is incompatible with price stability and external equilibrium.

At the same time, the Government was taking concrete steps to improve the situation at home. Nevertheless, the Prime Minister had to battle against opposition from leading figures in his cabinet who argued, in the case of the Left wing, that the measures urged upon him were politically intolerable, or again those who, in a more pragmatic vein, feared that they could damage the Socialist prospects in local elections scheduled for December.

With the latter in mind, Dr. Soares announced a public works programme valued at some \$850m. designed to ease unemployment, currently running at 15 per cent.

The Prime Minister acknowledged that Portugal's once-strong foreign currency reserves, almost the only positive legacy of 50 years of dictatorship, were all but exhausted. However, he claimed that the plans announced to-night would open up new credit lines to friendly countries and international monetary organisations.

Under these circumstances, although Italian industry is substantially increasing turnover, its utilisation of plant, and its labour productivity, it is only rarely taking on more labour, and showing a marked reluctance to invest in anything but labour-saving plant. With the discount rate at 12 per cent. and prime rate at 19.5 per cent., and the overall cost of borrowing to most small and medium companies well over 25 per cent. in many cases, there is little wonder that investment is at a low level and that confidence in the longevity of the current relatively high level of output and demand is fragile. Once again the economy is living from hand to mouth.

In recompense there are several indications that public opinion is now coming around of the idea that unless a start is made to unravelling a long series of interconnected distortions, the economy is destined to continue suffering the sort of stop-go which has characterised the last six or seven years, with ever longer periods of stop. After years of confusion and troubles which undermined the economic system created in the 1960s, shook the confidence of private industrialists, saw the rise of militant trade unionism, and created a demand, both for greater State participation in the economy and higher social spending, there are now signs of what Mr. Soares calls "a return to common sense."

On the one hand a generation of private industrialists has grown up who accept philosophically many of the limitations created by social legislation, the trade unions, and the changed political and social climate, while acquiring greater self-confidence about asserting the value of private enterprise as an efficient user of resources and creator of

wealth. On the other hand, Mr. Soares recognises the considerable short made by the Communist Party in particular to re-think many of its old dogmas.

The traditional belief of the Left in the intrinsic superiority of State enterprise has undergone a significant change in recent years. Party theorists have begun to recognise the creative function of entrepreneurship and to talk the role of small and medium private enterprise. The party as a whole is in favour of

staying within Nato and playing an active role within the Common Market. At its economic conference earlier this year the conference theme was the need for Italy to remain competitive internationally reduce parasitism and inefficiency, and to address the payments deficit—an aim which the party economists writing in the theoretical organ *Rinascita*, last month, recognised as meaning faster growth of output than incomes, so as to release resources for export—in other words wage restraint.

As the Prime Minister, Sig. Giulio Andreotti demonstrated in his patient effort to work out a government programme, there now exists a broad agreement among all the political parties as to the nature of the economic problems. What still has to be proved is whether this agreed analysis can be translated into concrete steps to put the economy right. Sig. Andreotti believes that the measures which have to be taken to reduce inefficiency and establish clear economic guidelines on market criteria, demand a considerable degree of political cohesion and authority, both from the Government and Parliament.

For him the new factor in the present political situation is the enhanced role of Parliament, now that the Christian Democrat minority Government depends for its survival on the abstention of the Communists and others in Parliament, and that the Communist Party plays a key role in the parliamentary legislative committees which it intends to use to influence the Government.

Experiences shows that it is useless to forecast the duration of an Italian Government, but Sig. Andreotti believes that the Government could survive for a useful period, if Government and Parliament establish a fruitful working relationship.

The most important thing to watch is whether Parliament manages to control the nature and quantity of public expenditure. It will be possible to judge from the debate on the 1977 budget, which takes place later this month.

Reducing the public sector deficit is one of the aspects which Sig. Paolo Savona, the 42-year-old economist whom Sig. Andreotti tempted out of the Bank of Italy to lay the basis for a "think tank"

Italy now finds itself with a Christian Democrat minority Government maintained in power by the Communist Party's abstention, with an industrialist-led coalition determined to inject the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

There is no guarantee that the unorthodox line-up will in the end do more than muddy the waters of a situation in which the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

Italy now finds itself with a Christian Democrat minority Government maintained in power by the Communist Party's abstention, with an industrialist-led coalition determined to inject the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

There is no guarantee that the unorthodox line-up will in the end do more than muddy the waters of a situation in which the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

Italy now finds itself with a Christian Democrat minority Government maintained in power by the Communist Party's abstention, with an industrialist-led coalition determined to inject the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

There is no guarantee that the unorthodox line-up will in the end do more than muddy the waters of a situation in which the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

Italy now finds itself with a Christian Democrat minority Government maintained in power by the Communist Party's abstention, with an industrialist-led coalition determined to inject the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

There is no guarantee that the unorthodox line-up will in the end do more than muddy the waters of a situation in which the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

Italy now finds itself with a Christian Democrat minority Government maintained in power by the Communist Party's abstention, with an industrialist-led coalition determined to inject the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

There is no guarantee that the unorthodox line-up will in the end do more than muddy the waters of a situation in which the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

Italy now finds itself with a Christian Democrat minority Government maintained in power by the Communist Party's abstention, with an industrialist-led coalition determined to inject the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

There is no guarantee that the unorthodox line-up will in the end do more than muddy the waters of a situation in which the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

Italy now finds itself with a Christian Democrat minority Government maintained in power by the Communist Party's abstention, with an industrialist-led coalition determined to inject the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

There is no guarantee that the unorthodox line-up will in the end do more than muddy the waters of a situation in which the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

Italy now finds itself with a Christian Democrat minority Government maintained in power by the Communist Party's abstention, with an industrialist-led coalition determined to inject the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

There is no guarantee that the unorthodox line-up will in the end do more than muddy the waters of a situation in which the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

Italy now finds itself with a Christian Democrat minority Government maintained in power by the Communist Party's abstention, with an industrialist-led coalition determined to inject the value of enterprise and competition and end discrimination in favour of the public sector with trade unions fighting for higher wages and higher investment in their first priorities.

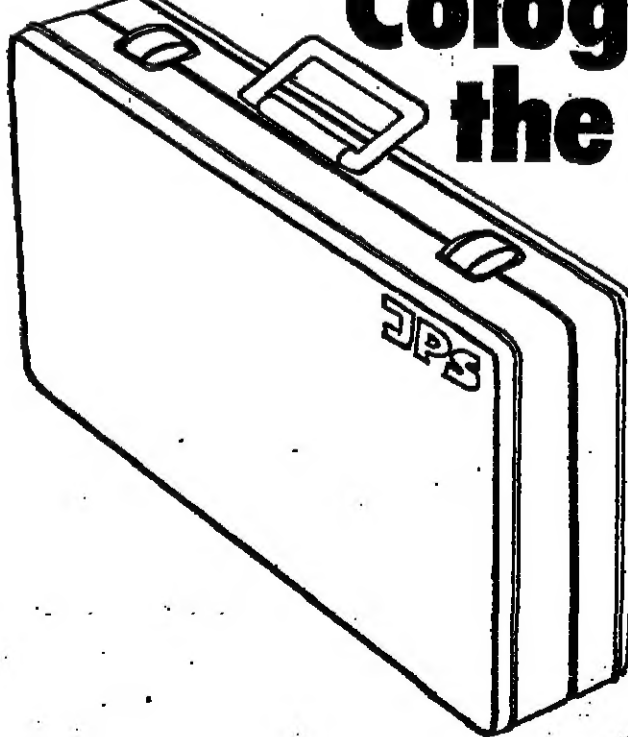
Mr. J.P. Soanis makes his decisions at Cologne trade fairs

J. P. Soanis from Kuala Lumpur reaches many of his important business decisions at a Cologne trade fair. In Cologne he studies new products, notes trends, meets business associates from all parts of the world, examines business prospects and clinches deals.

Time and again the Cologne trade fairs are a barometer of economic development in the various sectors. The arrangements made there are of importance in deciding profit or loss. First-hand information, an exchange of notes and contacts are of equal importance. Each of the Cologne trade fairs rates as number 1 in Europe and many as number 1 in the world. More than 11,000 exhibitors come from 65 nations, close on 800,000 trade visitors from 135 countries. This is the reason why Mr. Soanis misses none of "his" Cologne fairs.

Everything in Cologne is as it should be: Sectors, venue, floor space, technical facilities, service and the environment. Exhibitors and trade visitors always do well to come to Cologne.

Cologne has the right fairs.



1st. half 1977	
JAN 23	Furniture Fair*
JAN 28	ISM*
FEB 02	DOMOTECNICA*
FEB 07	Houseware Fair*
FEB 12	Houseware Fair*
FEB 17	Houseware Fair*
MAR 01	Men's Fashion Week*
MAR 15	FOR THE CHILD*
MAR 22	INTERZUM*
MAY 05	INTERZUM*

Key position

Housewares Fair • Hardware Fair • DOMOTECNICA • Furniture Fair • INTERZUM
SPOGA • Garden Furniture Fair • Men's Fashion Week • ISM • FOR THE CHILD
PHOTOKINA • ANUGA • ISM • IFMA • ORGATECHNIK • Exhibition of sports
facilities and swimming pools • Art Fair • Art Antiques

Cologne

Messe- und Ausstellungs-Ges.m.b.H. Köln
D-5 Cologne 21 • P.O.B. 21 07 60 • Tel. (221) 82 11

Information: International Trade Fair Agencies Ltd., 10, Old Bond Street, London W1X 3DB, Tel. (01) 409 09 56, Telex 2-2751

Leopard tank for U.S. army tests

West Germany yesterday handed over to the U.S. Army a prototype of the Leopard II tank for tests to select Nato's new battle tank, writes Renter from Bonn. It will be compared with two U.S. tanks developed by General Motors and Chrysler.

Swiss choice

The Swiss electorate is to vote in a national referendum on December 5 on whether the country's price surveillance system should be extended after the end of this year, John Wicks reports from Zurich.

Guest workers

The number of foreign workers employed in West Germany has fallen below 2m. for the first time since 1971. Returns issued by the Federal Labour Office in Nuremberg said in the last quarter of 1975 the number of guest workers declined by 106,200, or about 5 per cent., to 1,532,600.

TWA. FOUR TIMES A DAY TO NEW YORK.

A 707 at 10.35 arrives 13.25. A 747 at 12.00 arrives 14.35.

A 707 at 13.20 arrives 16.10. A 707 at 17.00 arrives 19.50.

Call your travel agent or TWA.



TWA carries more scheduled passengers across the Atlantic than any other airline.

TWA. NOT across the Atlantic.

WORLD TRADE NEWS

Britain to consider loans for S. Korea

Britain has agreed to consider a South Korean request for loans of \$541m for industrial projects including a nuclear power station, the Commerce Industry Ministry said in Seoul yesterday.

This followed a meeting between Mr. Gerald Kaufman, Minister of State for Industry, and Korean Commerce Industry Minister Chang Yoo-Joon. Mr. Kaufman arrived in South Korea yesterday for a two-day visit.

A British Embassy spokesman said Mr. Kaufman assured Mr. Chang of "co-operation within the overall limits of finance available from the United Kingdom".

Mr. Kaufman also expressed hope that South Korean import regulations would be relaxed, the spokesman added.

Fertiliser contract

A contract worth more than \$2m has been awarded by Iran Fertiliser to a joint venture comprising Cilgaur, the U.K. industrial services group, and Hamon, Sobelco, the Belgian thermal engineering specialists. The contract provides for the design and construction of a water cooling system for a major fertiliser plant near Shiraz in central Iran. About 80 per cent of the equipment will be supplied by U.K. manufacturers.

New gas stake

U.Air Liquide said it is taking a 25 per cent stake in a new Iranian industrial gas company, Teheran Industrial Gases. The company is capitalised at 400m Rials, divided into 40,000 shares of 10,000 Rials each.

Pipeline proposed

Saudi Arabian officials are studying the feasibility of building an oil pipeline between eastern Saudi Arabia and the Arabian Sea, Saudi Arabia's radio in Amman said yesterday. The 1,300-mile proposed pipeline will carry oil from Saudi Arabia and Kuwait to South Yemen, Reuters.

Wiggins paper exports

During the first half of this year, Wiggins Teape exports of paper and allied products were 38 per cent up, measured in value, on a year ago. Exports are now running at the rate of \$5m a year.

Turbines for Tunisia

Alstom said in Paris yesterday it had obtained Frs 225m order from Tunisia for seven 25 MW gas turbine installations and auxiliary equipment. The plants are due to go into service between mid-1977 and mid-1978, Reuters.

Orders for Chubb

Export orders worth around \$3m for airport fire-fighting vehicles have been won by Chubb Fire Security from the Saudi Arabian Directorate of Civil Aviation and include four Chubb airfield crash trucks, the vehicle which won the Design Council engineering award in 1974.

British export growth to continue 'at slower pace'

BY LORNE BARLING

MAJOR BRITISH exporters expect a continued, but perhaps slower, growth in sales abroad over the next six months and expect volume for the year to be 11 to 12 per cent higher than last year, according to a survey carried out by the Department of Trade.

Taking volume and price movements together, the value of their exports is expected to be nearly 30 per cent higher this year than in 1976. However, quarterly movements indicate that there will be some easing of growth later in the year and in the first quarter of 1977.

The findings come in the fourth survey of short-term export prospects, carried out by the department covering the second quarter of 1976 to the first quarter of 1977. Returns covered 35 per cent of the total value of U.K. exports.

Little change is foreseen by

the companies in the rate of increase in their export prices in sterling terms. On average they show an annual rate of increase of 15 per cent for the forecast period.

The forecast also suggests that the volume of major companies' exports will continue to increase in the second half of this year, and by slightly more than the companies' concerned were expecting in previous surveys.

The report notes that the value of exports of responding companies grew slightly less rapidly between the second quarter of last year and the same period this year, than did total U.K. exports.

This smaller increase, it is suggested, reflected a less marked rise in prices, more than offsetting a more rapid expansion in volume—a similar pattern to the results of the previous survey.

The Department said: "The survey results must be regarded with caution, but they point to a continuing period of growth in the volume of exports, although probably at a somewhat slower rate than during the earlier part of the revival last year and early this year."

"Combined with the expected continuation of a rise in sterling prices, the upward trend in the value of exports should remain strong."

The note of caution is struck because of the apparent differences in earlier surveys between volume growth reported by companies and the growth in total exports. This is apparent, though to a somewhat lesser extent, in the present survey.

In interpreting this survey for the prospects of exports as a whole, this possible bias must therefore be borne in mind, the department said.

'Understanding' on Japan steel

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

"UNDERSTANDINGS" about both the price and quantity of some special steels being exported from Japan to the U.K. have been reached after discussions between the Government and representatives of the Common Market Commission also took part.

The British team is apparently reasonably satisfied with the outcome, particularly as the Japanese have also offered to hold regular discussions on the subject.

BISPA has been pressing for Government action since last December and was particularly worried about imports of stainless steel from Japan. Japanese prices this year have risen about 30 per cent above those charged by U.K. producers and have had a very depressing effect on overall price levels.

At the Government-to-Government talks in Tokyo earlier this week, the Japanese pointed out that the price of their steel has been increasing. One common type of stainless steel bar which was selling at \$218 a tonne delivered in the U.K. in the spring had risen to \$245 a tonne by the end of the year, and by the end of February the price will be \$280 a tonne delivered.

(As U.K. steel of the same type was selling at \$209 this summer

it seems that the Japanese prices will still be slightly lower than those charged by domestic producers.)

Prices for other special steel products—including those for high speed and tool steels about which the U.K. Government was concerned—will show similar increases, the Japanese indicated.

As for quantities, the Japanese said that shipments of stainless bar for the rest of 1976 will be confined to those products already contracted for. This would give a total of 1,650 tonnes for the full year.

Exports in the first half of 1977 would be markedly lower at about 100 tonnes a month spread evenly over each month, compared with 150 tonnes a month sent to the U.K. this year.

Call for more work on median oilfields

By Ray Dafer, Energy Correspondent

THE GOVERNMENT has been pressing the case for more British industry involvement in the development of North Sea oilfields which straddle the U.K./Norwegian median line.

During the past few days Mr. Anthony Wedgwood Benn, Energy Secretary, and Mr. Bjartmar Gjerd, Norwegian Industry Minister, have met to discuss, among other problems, the way in which the offshore supply industries of each country could benefit from the development of these bi-national oilfields.

Details of the discussion could be made public to-day (Friday) but it is understood that the two Ministers discussed the implementation of a two nation "full and fair opportunity" agreement on the lines of the industry/Government memorandum of agreement which exists in the U.K. in effect, U.K. offshore operators have agreed to buy British equipment and services providing the tenders are competitive.

Until now British offshore industries have failed to win their "fair" share of work from fields being developed on the median line. For example, of the seven production structures for the Anglo-Norwegian Frigg gas field, one has been built in the U.K., one in Sweden, two in Norway and three in France.

The one platform so far ordered for the bi-national Statfjord field is being built in Norway and it is likely that Norwegian Contractors will announce within the next few days that it has received an order for a second "Condeep" structure. British National Oil Corporation, one of the Statfjord Group, objected to all of this second structure being constructed in Norway and appealed for British industry to be involved in the work, it is understood.

STATE OF KUWAIT UNIVERSITY OF KUWAIT

INVITATION FOR PRE-QUALIFICATION OF CONTRACTORS

The University of Kuwait will shortly begin the construction of its new Campus which will cater for twelve thousand students across the full spectrum of formal education. Interested firms wishing to apply for the pre-qualification questionnaire should have substantial world-wide building construction experience with particular emphasis on major University Project experience and on experience in the Middle East, particularly the Gulf area.

Applicants for the pre-qualification questionnaire should have executed a building project of not less than One Hundred Million U.S. Dollars, and where consortia apply it is preferable that one of the parties have considerable experience in the erection of major Medical Complexes and large teaching hospitals.

The pre-qualification questionnaire will be available free of charge to those firms who apply on their own headed notepaper to:

The Director of the Planning and Building Department,
University of Kuwait,
P.O. Box 5969,
Kuwait,
State of Kuwait.

All applications should be made in the English language only. The closing date for the receipt of applications is now extended until the 30th September, 1976.

India succeeds in petrodollar deals

BY K. K. SHARMA

NEW DELHI, Sept. 9.

INDIA HAS made a dramatic entry into the petrodollar market in the Middle East and both Government and private firms have clinched contracts worth \$160m since January this year.

A substantial number of similar contracts were signed last year and other contracts are still being negotiated. Not surprisingly, India has had little difficulty this year in meeting its crude import bill of around \$1.5bn. and foreign exchange reserves at present stand at the record level of around \$2.1bn. (excluding gold and special drawing rights). This has become possible because work on about 20 major projects undertaken by Indian firms in Arab countries and Iran has begun and payments have started coming in.

From the Port Administration of Iraq, the Bitration plant will be located at Magli and the rest of the system is for Umm Qasr, 70 kilometres south.

India's International Airports Authority, which is already building an airport at Kuwait, has jointly won a \$48.5m contract with the National Building Corporation for a complete airport at Ghat in Libya, whose Government has invited many Indian companies to help its industrialisation programme and where Bharat Heavy Electricals will build an oil based power plant.

Hindustan Steelworks Construction has been asked by the Dubai Government to submit proposals for building 3,000 houses estimated to cost around \$11m. Contracts under negotiation include a steel mill at Abu Dhabi, a fertiliser plant with the United Arab Emirates and the sale of two aluminium smelters of 150,000 tonne capacity each for Iran's Industrial Development and Renovation Organisation.

Such is the potential of the Middle East market that the Association of Indian Engineering Industries has decided to open offices in Egypt, Libya, Iran and Kuwait (and also in Kenya, Zambia, Indonesia and Australia). The "Builder's Association of India" has also set up an over-25 construction council to help its members get contracts from the Middle East.

The public sector projects and equipment corporation has launched an aggressive programme to secure sub-contracts for Indian companies. This will be done simultaneously by the Indian Government which has joint commissions for economic co-operation with all Middle East countries.

A British-Indian consortium for joint bidding on international jobs has been mooted by the two Governments while India and Russia have decided that the massive engineering projects built here with Soviet help and which have substantial unused capacity will help Russian projects in the Middle East and Africa.

Since then EPI has won a \$12.2m contract to design and construct a mechanical training centre for India's Ministry of Industry at Iskandriya and a \$10m contract for a water pumping and filtration system.

Not signed so far but also expected by RITES is a \$15m contract for laying a railway track linking Baghdad to Hasiba in Northern Iraq.

In face of this single largest deal negotiated by RITES, others are comparatively smaller but they add up to an impressive total. The next largest is a turnkey contract signed with Kuwait by Engineering Projects India for building a complete township worth \$230m in the first phase alone. EPI hopes to win the second phase also and has started planning for this in advance.

Next to RITES, EPI has been the most successful in earning petrodollars. This year it began with a joint venture contract with the Abu Dhabi National Oil Company for a \$300m fertiliser plant using natural gas as feedstock for which the Fertiliser Corporation of India did the feasibility study.

Companies 'Indianised'

BY OUR OWN CORRESPONDENT NEW DELHI, Sept. 9.

A TOTAL of 19 foreign companies have been asked to wind up their operations in India. This has been ordered by the Reserve Bank of India under the provisions of the Foreign Exchange Regulation Act.

The reason for the order is that "it is not considered desirable to permit them to continue activities in fields such as investment in shares or real estate."

The 19 companies are Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

turning companies with head offices in New Delhi, Bombay, Madras and Calcutta, and they produce a wide range of goods from consumer articles to sophisticated engineering equipment.

Another 55 foreign companies have voluntarily reduced their foreign holdings to 40 per cent, while the applications of a number of industrial foreign companies to continue functioning in India are ending.

It has been made clear that exceptions to rules framed under the Act will not be made unless they cater for exports or satisfy the "sophisticated technology" requirement. A few multinational companies are expected to wind up their operations because they will be required to shed at least 25 per cent of their foreign holdings and they do not accept this as a matter of policy.

The Foreign Exchange Regulation Act requires a progressive dilution of foreign equity holdings if foreign companies want to expand their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products, Wallace and Company, Breco, Rapeways, Marshalls, Direction, Plessey, Automatic Telephone and Electric, Montreal Engineering, Chicago Bridge and Iron, Columbia Gramophone, Courtlands India, Indian Textile Engineers, Usha Wyeth, Warner Lambert, Koller Engineering, Overseas Gulf Lines, Agasties, Michelin Tyre India, Christian and Company, Wyeth India and Vickers India.

This is in addition to the orders given to 138 foreign companies to dilute their resident equity to 40 per cent and "Indianise" their operations.

Accordingly, on or before October 1, 1976, the following companies are required to wind up their operations in India: Plywood Products,

HOME NEWS

FARNBOROUGH ATTRACTS WORLD AEROSPACE CHIEFS

U.S. joins airbus talks

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIRBUS INDUSTRIE, the European international group which is building the A-300 Airbus, has begun discussions on future international collaboration with both McDonnell Douglas and Boeing of the U.S.

This development, which emerged at the Farnborough International Air Show yesterday, is significant for two reasons. It effectively counterbalances the recent French Government decision to press on with negotiations between McDonnell Douglas and the two French companies, Aerospatiale and Dassault on the possible development of the Mercure 200 airliner plan, which has not been received with very great enthusiasm throughout the rest of Europe.

Second, it confirms that the entire situation in determining

the next generation of civil airliner development is still wide open, with every manufacturer in the world talking to everyone else in an effort to determine which avenue is the best to follow in settling work programmes for the future.

If any single theme has dominated this year's Farnborough show, it is this—that there is still total uncertainty as to who will finally link with whom to build the civil aircraft of the future, with every major aircraft and engine company still undecided, with a greater number of potential designs on offer than at any previous time.

The Farnborough show, with its business sessions now over and the flying display effectively turned over to the

public's enjoyment, has yielded no solutions to the biggest problem currently facing the world's aircraft manufacturers—what to build for the future—and has demonstrated conclusively that the situation is as fluid as ever.

During the past five days, the presidents and chairmen of every major aerospace manufacturer and almost every major world airline have been in Farnborough and the volume of international discussion has been unprecedented. But no firm decisions have emerged, and it seems likely that the talking will go on for some considerable time to come.

No individual manufacturer, of either engines or airframes, is prepared to commit itself just yet to a specific programme, and until the airlines themselves are prepared to

place orders it is not likely that there will be any clarification of what remains a complex as well as an uncertain situation.

Beneath this current of uncertainty on future civil programmes, however, there is no doubt that for the great majority of aerospace companies this year's Farnborough show has been one of the most successful ever, despite the fact that volume of new orders clinched has been small, limited to a few electronics and equipment contracts.

It is stressed by many of the companies exhibiting here, however, that the value of international air shows of this kind no longer lies in the volume of business actually concluded but in the contacts and initial business discussions which harden later into firm commercial commitments.

Building output continues to fall

By Michael Cassell, Building Correspondent

CONSTRUCTION output in Britain continues to decline, according to latest official figures yesterday. Neither does any significant nor prolonged upturn in work levels seem likely over the next 12-18 months.

Yesterday's statistics from the Department of the Environment indicate that the value of all construction work carried out by contractors during the second quarter of this year was £3.16bn at present prices.

In constant price terms, total output for April-June was down by 3 per cent over the first quarter of 1976, and down an almost identical percentage compared with the second quarter of last year.

Although the latest industry ordering figures have given rise to some encouragement, the improvement has in most cases only restored the mid-1975 situation and the influx of contracts in recent months provide little evidence of busier times.

A recent inquiry by the National Federation of Building Trades Employers showed that over 50 per cent of employers were receiving fewer inquiries than earlier in the year.

Three-quarters of all companies approached said they were working at only three-quarters capacity or less, and the number of contractors so placed is expected to increase.

Unemployment in the industry now stands at about 200,000 and an overall decline in work levels of 6 per cent this year is expected to be followed by a further drop in 1977.

U.K. may have to import energy by the 1990s

BY RAY DAFTER, ENERGY CORRESPONDENT

WITHIN the next decade the U.K. will become a substantial net exporter of energy, but this will be short-lived, according to a Government report published yesterday.

A paper prepared for the Advisory Council on Energy Conservation (ACEC) suggests that in the 1990s Britain will change rapidly into being an energy importer.

"The growing demand would likely to take place against a world background of increasing competition for energy resources," says the report by the energy research group at the Cavendish Laboratory, Cambridge.

With world oil production reaching its peak by about 1980, developed nations would face a potential energy scarcity by the year 2000.

"For the short to medium-term, U.K. energy prospects are favourable compared to many industrialised countries," 1985 projections gave fuel demand equal to the indigenous supply situation, except for oil where there could be a net export of between 35m, tonnes and 54m, tonnes.

"These favourable prospects could lead to energy problems in the long term unless there is adequate development of the nuclear power, coal and nuclear power in-"

U.K. ENERGY DEMAND BY SECTOR (net energy used—million tonnes oil equivalent)	1972		1985		2000	
	low demand	high demand	low demand	high demand	low demand	high demand
SECTOR						
Transport	28	32	45	74	51	87
Industry	35	38	41	43	51	57
Residential	16	18	19	22	25	28
Other uses	14	20	23	29	38	
Feedstocks etc.						
Energy industries						
own use and conversion losses	61	70	79	89	120	
Total primary Energy Demand*	211	242	243	297	370	

* Some totals are inexact due to rounding.

Source: Department of Energy

relating to standards, regulations and pricing of fuels.

6—International energy policy and co-ordination.

The Government could influence several areas relating to future energy prospects, including:

1—The development of the coal supply industry.

2—The development of more efficient techniques for the direct use of coal.

3—Controlling the rate of development and depletion of North Sea oil and gas.

4—The development of the electricity supply industry, particularly nuclear power.

5—Energy conservation measures, particularly those relating to standards, regulations and pricing of fuels.

6—International energy policy and co-ordination.

The Government could influence several areas relating to future energy prospects, including:

1—The development of the coal supply industry.

2—The development of more efficient techniques for the direct use of coal.

3—Controlling the rate of development and depletion of North Sea oil and gas.

4—The development of the electricity supply industry, particularly nuclear power.

5—Energy conservation measures, particularly those relating to standards, regulations and pricing of fuels.

6—International energy policy and co-ordination.

N. Sea oil agreements by autumn Mabon says

By Ray Dafter, Energy Correspondent

THE Government expects to complete its main round of participation negotiations with offshore oil operators by late autumn, according to Dr. Dickson Mabon, Minister of State, Energy.

By then all principal companies with commercial North Sea interests should have agreed outline arrangements for State participation, Mr. Mabon said yesterday.

While negotiations with Shell and Esso were tough, heads of agreement should be reached soon. At the same time detailed negotiations with British Petroleum were progressing with no significant hitches. Participation talks were proceeding with Mobil, Texaco and other companies.

It is possible that Dr. Mabon will take the opportunity of his forthcoming visit to the U.S. to carry the discussions further.

Strain

He said in an interview with Reuters, that he accepted that the participation programme placed a strain on the Government's negotiating resources but he was sure that it would be seen through successfully.

He disclosed that capital expenditure on North Sea exploration and development would have reached a total of between £3bn and £4bn by the end of the year. Half of this would have been spent by foreign owned companies.

The present estimate of total spending on existing fields by 1980 was between £8bn and £7bn.

Lansing Bagnall plans £4m. investment programme

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

CONFIRMATION that the industrial truck business is steadily climbing out of its worst recession comes to-day with the announcement of a £4m. investment programme by Lansing Bagnall, which claims to be the biggest European manufacturer of industrial trucks.

Lansing Bagnall, which is based in Basingstoke, has told employees that there will be no more short-time working this year. It has started recruiting for the next six months.

The company requires 150 people immediately. This compares with the 250 jobs eliminated since 1974, a fall of about 2 per cent a year. The group employs

Hearts of cities 'need urgent aid'

BY PHILIP RAWSTORNE

A PROGRAMME to deal with unemployment and housing problems of the inner areas of cities was urgently needed, Mr. Peter Walker, former Conservative Environment Secretary, said yesterday.

Failure to act would bring increasing social tension, industrial unrest and crime, he said at a Tory Reform Group seminar in London.

"We still have a problem on a scale we can tackle. A few more years of neglect and it may become a problem beyond our resources."

Mr. Walker, accusing the Government of complacency, urged the Conservative Party to give highest priority to policies to reverse decline in inner areas which represented the country's "most serious social problem."

Our inner areas have the worst unemployment, worst pollution, oldest buildings whether they be schools, houses, factories or hospitals. Also the highest

illiteracy, highest lack of numeracy and highest proportion of coloureds, unskilled and school leavers."

By switching more resources, deterioration in employment and housing could be tackled without increasing public expenditure.

Mr. Walker called for a programme of housing improvement and for new housing construction which would attract managerial and professional people back into the areas.

The net cost in public expenditure of paying unemployed construction workers to work as opposed to paying unemployment and social security, is small indeed.

An approved programme of conservation on a permanent basis, with specific regular allocations of funds to protect Britain's historic building heritage, was proposed yesterday by Professor Roy Worscott, of Bath University.

Steel output up slightly but mills still partly idle

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE U.K. steel industry continued to work at well below capacity last month, according to statistics published to-day.

The figures confirm, however, that the slow and laboured recovery continued. Steel output last month was 2 per cent ahead of July and 21 per cent up on August last year, with an average rate of 374,000 tonnes a week.

This means that for the first eight months of this year output averaged 425,800 tonnes a week, an increase of 9.7 per cent on

the corresponding period last year.

During the last peak period of demand—in 1973—the U.K. industry's average was running at between 450,000 and 540,000 tonnes a week, or in the region of 20 per cent above present levels.

Steel stocks continue to be at record high levels with about 17 weeks supply in the hands of consumers compared with the normal 12 to 14 weeks supply. This might put a temporary brake on demand to the immediate future.

'One-sided' tenancy agreements attacked

By Donald Maclean

LOCAL AUTHORITIES may be better than private landlords from the tenant's point of view, but council tenancy agreements for the most part "nationalistic, one-sided punitive and incomprehensible," the National Consumer Council claimed yesterday. Some did not "even comply with the law."

The results are given in a booklet on tenancy agreements of a survey of 318 English housing authorities which, said Mr. Michael Young, chairman of the Consumer Council, disclosed a "disquieting picture." Several authorities had already agreed to change their tenancy conditions after the council pointed out that they included illegal clauses.

The booklet is to be discussed with tenants' association and local authority representatives at the Consumer Council's congress in Birmingham next Friday and Saturday.

Mr. Peter Shore, Secretary for the Environment disclosed two days ago that a "tenants' charter" might be one of the things to emerge from the Government review of housing policy.

The booklet says tenancy agreements should define the mutual obligations of the local council and the tenant.

Tenancy Agreements Between Councils and Their Tenants. National Consumer Council, 18, Queen Anne's Gate, London, S.W.1. 35p.

Leave us alone, says Barclays chief

BY MICHAEL BLANDEN

NATIONALISATION of banks would damage the prospects for recovery of the economy and chances of reducing unemployment, Mr. Anthony Tuke, chairman of the Committee of the Clearing Bankers, said yesterday.

In a response on behalf of the clearing banks to the proposals published this week for takeover of the "Big Four" banks and an unnamed merchant bank, Mr. Tuke said that the Labour Party National Executive Committee's document was "virtually devoid of serious argument." This was not surprising, as the case advanced for bank nationalisation in recent years had proved fallacious.

Campaign

Mr. Tuke, who is chairman of Barclays Bank, said that bank nationalisation was not wanted by most of those who supported the Labour Party, by most of the 20m customers of the clearing banks, or by the vast majority of their staffs. The Government, moreover, had stated that it had "no intention of nationalising the banks."

Dow Chemical ethylene plant plans frozen

Financial Times Reporter

PLANS by Dow Chemical, one of the leading U.S. chemical companies, for a large ethylene plant in Scotland have been put into cold storage after inconclusive talks with Shell and Esso about raw material costs.

The company, which is considering several large-scale projects in Europe and the Middle East was examining the possibility of using ethane from the Shell and Esso Brent field in the North Sea as feedstock for a 300,000-tonne-a-year plant.

A wide gap is thought to exist between the two sides on the prices for the ethane. Dow seeking a price to compensate for cost of exporting ethylene produced in its European plants.

'Little gain from State banks'

BY MICHAEL BLANDEN

Much material on which the vigorous "innovation" since re-NEC document was based had been shown to be uninformed and inaccurate.

The transparency of the present case for bank nationalisation seems to reveal that the authors are motivated less by practical evidence than by a deep-seated desire to gain political control over the use of the funds deposited with the banks by their customers.

The specific arguments in favour of public ownership, however, were fallacious. That about insufficient competition was of bank lending to industry is "rendered invalid by the now on a medium-term basis."

Gas tariffs will rise by 12% next month

BY RAY DAFTER

BRITISH GAS has been given where he lived. Standing charges Price Commission authority to would not be affected.

The Corporation said that "This must tend to a large tariffs would rise by 1.9p a unit on future inflation trends and preparation charges and maintenance of the economy by 0.9p, 1.4p and 1.9p a therm, generally, and is contingent upon depending on how much gas a no special financial impositions customer used and the region on the gas industry."

P.O. may soon resume Sunday mail collections

BY JAMES McDONALD

SUNDAY mail collections may resume by Christmas. They were dropped in May as part of a year-long experiment.

The move has brought repeated protests both from the Union of Post Office Workers, concerned about the loss of overtime earnings as well as the deterioration of services, and to mail users such as the Association of Mail Order Publishers, which reiterated yesterday its plea for the reintroduction of view of pricing.

Church bid to criticise GEC role in S. Africa

Financial Times Reporter

CHURCH SHAREHOLDERS plan to raise questions about the General Electric Company's involvement in South Africa at the company's annual meeting this morning.

They will be backed by a report on GEC prepared by Christian Concern for Southern Africa.

The report concludes that "there is a strong prima facie case for believing that GEC's involvement with South Africa is detrimental to the interests of the black majority."

"By reinforcing the economic and military power of the South African State far more than it furthers the interests of the oppressed, it is operating to exacerbate the scale of the already mounting conflict."

The report calls for a tightening of Britain's embargo on arms for South Africa and a policy statement from the Government on the application of the rules governing the export of nuclear technology to South Africa.

On the argument that the trade with South Africa is in Britain's national interest, the report says: "A policy which makes a substantial volume of British exports and associated jobs dependent on the continued goodwill of a country whose economic and political future is increasingly problematic and whose policies engender active hostility among our trading partners throughout Africa and the Third World, can hardly be considered commercially prudent let alone in the national interest."

Mr. Leyland South Africa should review its union recognition policy, Mr. Eric Varley, Secretary for Industry, said yesterday. He said in a telegram to Mr. Len Murray, TUC General Secretary, that the Government is in the Park, chief executive of British Leyland, drawing his attention to the views expressed at the TUC in Brighton.

Burmah insures against late delivery

By Our Shipping Correspondent

BURMAH DISCLOSED yesterday that it was insuring itself against the late delivery of the first 10 liquefied natural gas carriers from a U.S. shipyard by chartering two similar vessels from next year.

The charter arrangements are said to be short term and to have been agreed with the shipowner, Golder-Larsen, subsidiary of the IU International, a U.S. corporation, Norwegian shipowner Leif Hoegh.

The ships will be used to carry LNG from Indonesia to Japan. They have been ordered by General Dynamics yard at Quincy, but their manufacture has been hampered by technical problems and by uncertainty over Burma's cash position.

BANK RETURN

Wednesday, Sept. 8, 1976

LIABILITIES

Capital

Public Deposits

Special Deposits

Bankers' & Other

Assets

Govt. Securities

Other Securities

Loans

LIABILITIES

Capital

Public Deposits

Special Deposits

Bankers' & Other

Assets

Govt. Securities

Other Securities

Loans

LIABILITIES

Capital

Public Deposits

Special Deposits

Bankers' & Other

Assets

Govt. Securities

Other Securities

Loans

LIABILITIES

Capital

Public Deposits

Special Deposits

Bankers' & Other

Assets

Govt. Securities

Other Securities

Loans

LIABILITIES

Capital

Public Deposits

Special Deposits

Bankers' & Other

Assets

Govt. Securities

Other Securities

Loans

LIABILITIES

Capital

Public Deposits

Special Deposits

Bankers' & Other

Assets

Govt. Securities

Other Securities

Loans

LIABILITIES

Capital

Public Deposits

Special Deposits

Bankers' & Other

Assets

Govt. Securities

Other Securities

Loans

LIABILITIES

Capital

Public Deposits

Special Deposits

Bankers' & Other

Assets

Govt. Securities

Other Securities

Loans

10.11.1978

Villiers aims for grand slam in industrial relations

SIR CHARLES VILLIERS, who becomes chairman of British Steel today, and Mr. Peter Parker, who takes up the chairmanship of British Rail on Monday, have one thing in common. Whatever success they make as heads of two of Britain's biggest nationalised industries will depend to a very large part on the nature of the relationship they are able to develop with their political masters in Whitehall.

Relations between governments and the nationalised industries generally have probably never been at a lower ebb than in the past few years, while in the case of steel and the railways mutual confidence has been almost at vanishing point.

Both men know, too, that with both industries losing money heavily their relations with Ministers and civil servants will be influenced by the speed with which they cut costs and raise productivity, which in turn brings in the question of relations with their trade unions. Neither has previously run organisations as big and as complex as the steel industry and the railways, but both arrive with considerable, private-sector experience and are by no means lacking in first-hand knowledge of the ways of Whitehall.

The similarities go only so far. Steelmaking is potentially a profitable business. Once the protracted debate over the rise and shape and pace of the industry's modernisation programme—and the concomitant closures of its oldest, least efficient works—has been settled, Sir Charles should be able to mount an audacious, easier atmosphere in Whitehall. He may be helped, too, by ECSC rules which call for arm's length relationship between member Governments and their steel industries.

British Rail, on the other hand, has been supported by the taxpayer for over 30 years, and it now seems generally agreed that never again can railways be treated as an orthodox commercial operation. Whatever Mr.

Parker's success in raising railway efficiency, he will be directing a business which operates a major part of its activities as a contractor to Government.

He may succeed in securing from Whitehall coherent, workable, long-term objectives. He might even succeed—though this is more doubtful—in persuading the politicians to stick to them for more than a few months or a few years at a time. But, in contrast to any other business one can think of, the objectives will be more social than commercial, and in the last resort the politicians will always want to call the tune.

At 53, Mr. Parker could have time in hand, though he has doubtless noted that the average term of his predecessors has been under five years.

Timetable

Sir Charles, at 63, is one day older than Sir Monty Finniston, the outgoing chairman. For that reason, if no other, his strategy will have to be encompassed in a tight timetable, and he has concluded, while waiting in the wings, that if this untidy conglomeration of old and not-so-old steelmaking units, which adds up to one of the world's biggest steel concerns, is to pay its way, a tight timetable, and began to provide British industry with the steel it requires, then he has to win the hearts and minds of the workforce.

Previous management teams during the nine-year life of BSC have done well, and have been implementing modernisation schemes to change the style of steelmaking and improve the product. Sir Charles's first concern is going to be to persuade the workers to get the best out of the machines.

He is resolved to go for a "grand slam" in industrial relations. That means the best employment package ever offered to the workers of a major British industry. He will not make the mistake of offering a

new deal without supplying adequate lubrication to ensure that it runs smoothly. Hand-somely higher pay rates, and quickly the lost production could be made up. The difference between what he expects to be at the heart of his strategy.

The contribution expected from the workforce would be willingness to accept restructuring of the pattern of jobs in the plants and offices, and to man new plants at the levels common in other major steelmaking countries rather than at the generous levels which have become engrained in British steel plants. He believes, as his predecessor believes, that the BSC must reduce its present workforce of just over 200,000 by between 30,000 and 40,000 if it is to be competitive in world markets.

His hands are, however, tied for the present by government policies of pay restraint. He might have hit on exactly the formula the BSC needs to bring it back to power and profitability. But there is not going to be an opportunity of applying it until this or some future government decides that such items as higher pay rates and jobs for life can be offered in the industrial sector without wreaking damage upon the national economy.

One of Sir Charles's more immediate worries will be the modern integrated steel strip works at Llanwern, South Wales. After a disastrous period of strikes and non-operation last year over the opening of a new blast furnace at Llanwern, the British Rail on Monday also 1978.

Mr. Parker will arrive at the corporation this year at a time when production is in demand by the car-makers and domestic appli-

cations industries. The problems that it runs now are mostly technical. Unless they are solved quickly the lost production could make the difference between profit and loss for the corporation in the year 1978-79.

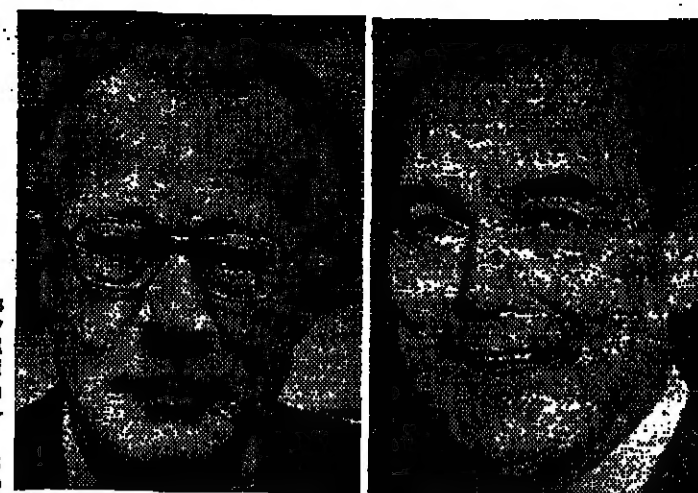
It lost £255m. last year—a sufficiently poor performance to have a demoralising effect on the industry—partly through the recession and partly through the corporation's inability to make sufficient of the right steel because of technical and labour problems. During the current financial year production is expected to be about 6m. tonnes better than the abnormally low figure of 17m. tonnes last year.

However, 25m. tonnes output will be only just enough. Sir Charles needs to keep output at least at that level if the BSC is to avoid losses. To achieve that production consistently it will need the new strip mill planned for Port Talbot as soon as possible. But the Government has asked BSC to look again at the planned expansion of Port Talbot and the parallel plan to close steelmaking at Shotton.

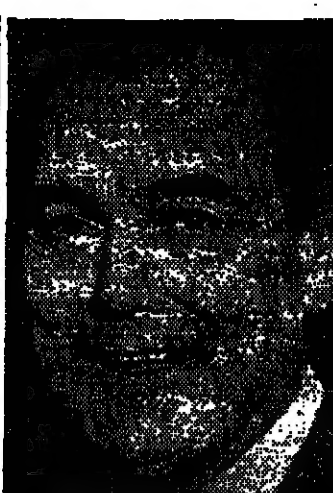
Constraints

The Corporation does not expect to be able to complete its new review of investment plans for these Welsh steelmaking centres much before Christmas. It can ill afford the delay.

Mr. Parker will arrive at the corporation this year at a time when production is in demand by the car-makers and domestic appli-



SIR CHARLES VILLIERS
Hands tied by pay curbs



MR. PETER PARKER
Need to reduce unit costs

Group some five years ago—on the sort of Board he wants, both in terms of members and role. He is convinced of the need to reduce unit costs; and he wants to mount a strong marketing drive to secure new business.

On these two latter points, his predecessor had already put in hand some useful groundwork. Provided agreement can be reached with the railway unions, there are plans to reduce manpower by some 40,000—or by more than 20 per cent—by 1981; and long-term marketing studies have shown scope for considerable expansion of the railway's bulk freight and leisure travel businesses.

The financial constraints under which British Rail is operating will not make Mr. Parker's task any easier. The railway's investment programme and passenger service revenue support have been pegged in real terms at last year's levels of £260m. and £230m. respectively, while last year's freight deficit of some £86m. has to be phased out by 1978.

On the passenger side, fare increases have run up against diminishing returns, while improvement of the freight business

Living standard fall first for 28 years

BY MICHAEL BLANDEN

THE DROP in living standards last year—the first since official statistics were introduced in 1945—is highlighted in an official "blue book" published today.

The book shows that real personal disposable income, the amount available for spending after adjusting for price increases, is estimated to have fallen by about 1 to 1 per cent. Total personal incomes rose by 26 per cent. between 1974 and 1975, but the rise was balanced by a 44 per cent. jump in personal sector payments of taxes on income, reflecting both higher tax rates and the impact of "fiscal drag."

National Insurance contributions also rose by 36 per cent. leaving an increase of only 22 per cent. in personal disposable incomes. This increase did not quite match the rise in consumer prices.

The share of domestic income taken by employment income (mainly wages and salaries) rose again to 74 per cent.—after deducting stock appreciation—well above the average of 69 per cent. over the previous ten years. The proportion taken by company profits in 1975 was 7 per cent., against an average of 12 per cent. over the previous decade.

Total public expenditure increased by 32 per cent. between 1974 and 1975. A breakdown shows a marked fall in the portion taken by military defence over the last decade from 15 to 10 per cent.

The U.S. negotiators want this matter settled before negotiations start on a new agreement to become effective next June, when the present pact expires.

The discussions are taking place against a background of some friction. There have been threats from the U.S. that air

services between the two countries might be suspended if the U.K. still insisted on a reduction this winter in the number of seats offered on some routes from the U.S.

The U.S. negotiators want this matter settled before negotiations start on a new agreement to become effective next June, when the present pact expires.

The discussions are taking place against a background of some friction. There have been threats from the U.S. that air

services between the two countries might be suspended if the U.K. still insisted on a reduction this winter in the number of seats offered on some routes from the U.S.

The U.S. negotiators want this matter settled before negotiations start on a new agreement to become effective next June, when the present pact expires.

The discussions are taking place against a background of some friction. There have been threats from the U.S. that air

services between the two countries might be suspended if the U.K. still insisted on a reduction this winter in the number of seats offered on some routes from the U.S.

The U.S. negotiators want this matter settled before negotiations start on a new agreement to become effective next June, when the present pact expires.

The discussions are taking place against a background of some friction. There have been threats from the U.S. that air

services between the two countries might be suspended if the U.K. still insisted on a reduction this winter in the number of seats offered on some routes from the U.S.

The U.S. negotiators want this matter settled before negotiations start on a new agreement to become effective next June, when the present pact expires.

The discussions are taking place against a background of some friction. There have been threats from the U.S. that air

services between the two countries might be suspended if the U.K. still insisted on a reduction this winter in the number of seats offered on some routes from the U.S.

The U.S. negotiators want this matter settled before negotiations start on a new agreement to become effective next June, when the present pact expires.

The discussions are taking place against a background of some friction. There have been threats from the U.S. that air

services between the two countries might be suspended if the U.K. still insisted on a reduction this winter in the number of seats offered on some routes from the U.S.

The U.S. negotiators want this matter settled before negotiations start on a new agreement to become effective next June, when the present pact expires.

The discussions are taking place against a background of some friction. There have been threats from the U.S. that air

services between the two countries might be suspended if the U.K. still insisted on a reduction this winter in the number of seats offered on some routes from the U.S.

The U.S. negotiators want this matter settled before negotiations start on a new agreement to become effective next June, when the present pact expires.

The discussions are taking place against a background of some friction. There have been threats from the U.S. that air

services between the two countries might be suspended if the U.K. still insisted on a reduction this winter in the number of seats offered on some routes from the U.S.

The U.S. negotiators want this matter settled before negotiations start on a new agreement to become effective next June, when the present pact expires.

The discussions are taking place against a background of some friction. There have been threats from the U.S. that air

services between the two countries might be suspended if the U.K. still insisted on a reduction this winter in the number of seats offered on some routes from the U.S.

The U.S. negotiators want this matter settled before negotiations start on a new agreement to become effective next June, when the present pact expires.

The discussions are taking place against a background of some friction. There have been threats from the U.S. that air

services between the two countries might be suspended if the U.K. still insisted on a reduction this winter in the number of seats offered on some routes from the U.S.

The U.S. negotiators want this matter settled before negotiations start on a new agreement to become effective next June, when the present pact expires.

The discussions are taking place against a background of some friction. There have been threats from the U.S. that air

services between the two countries might be suspended if the U.K. still insisted on a reduction this winter in the number of seats offered on some routes from the U.S.

The man who didn't really like trains

BY STUART ALEXANDER

"ONE OF the biggest problems facing the railways as far as Westminster is concerned is not the £500m. subsidy, but the decision some of our managers have taken to stop taking lost racing pigeons," said Sir Richard Marsh, retiring chairman of British Rail, yesterday.

Sir Richard, on his last working day as head of British Rail, spoke of his horror at the almost "frivolous" way in which governments run State concerns. He found it "extremely worrying" that governments could not make up their minds on what nationalised industries should be doing.

Government policy on whether lines should go up or stay down was switched; investment plans which had already been launched were expensively scrapped; recruitment drives were followed by manpower cuts.

"One of the things politicians have to do is to recognise that the government machine in this country isn't designed for running anything. It isn't an executive machine—but it should all," was Sir Richard's parting shot.

"I come away firmly convinced that one of the urgent needs is for a review of the machinery of the government, which is totally inadequate for the managerial role it seeks to play."

British Rail managers were as good as private industry men, but railway lines in Wales and Scotland making huge losses were kept open "because there are people called Scottish nationalists and Welsh nationalists."

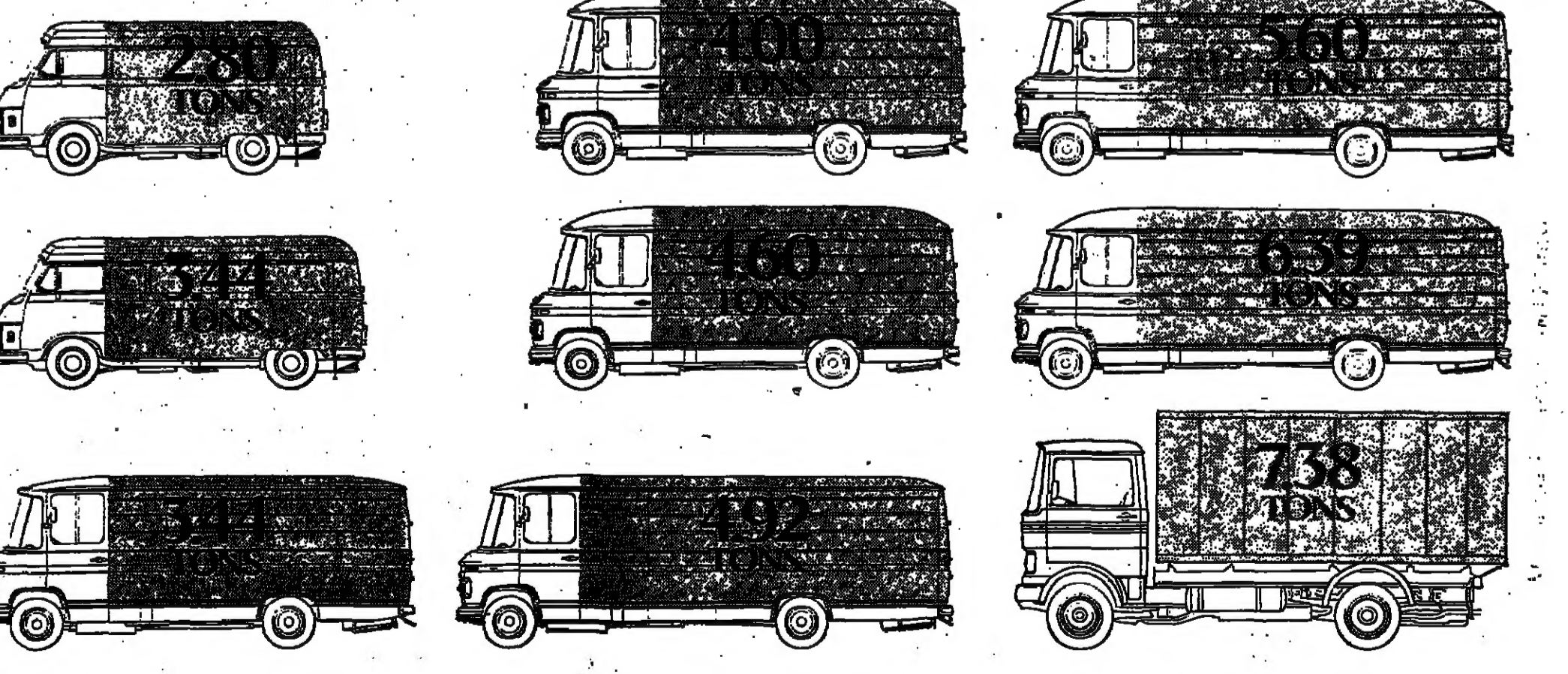
Sir Richard seemed pleased to be leaving the atmosphere of Whitehall and moving to his new job as chairman of the News paper Publishers Association, which he takes up officially on October 1.

He thought his early experience as a trade union official might help him in his new job, but "trade unionists are notoriously unromantic and unsentimental. They won't have watery eyes at the thought that I was once a union official."

"I don't really like trains at all," was Sir Richard's parting shot.

He thought his early experience as a trade union official might help him in his new job, but "trade unionists are notoriously unromantic and unsentimental. They won't have watery eyes at the thought that I was once a union official."

HOW MUCH WEIGHT DO YOU NEED TO PUT ON?



One of the biggest problems of running factory-built delivery vehicles is selecting the right weight for your particular needs, in particular your need to make a profit.

Which is why we suggest you see how the Mercedes-Benz fleet weighs in. In the left hand corner we have a 2.8 tonner and in the right hand corner our 738 ton van, with a comprehensive range of weights in between.

In all there are more than 40 vans, with 8 gross vehicle weights, offering a choice of 8 wheelbases, 3 roof heights, up to 6 feet and load spaces that stretch from 226 to 565 cubic feet. So you've always got loads of room.

Like most of our customers, you'll find you need an integral van but if you want

a special body, there's our range of 24 chassis cabs.

And if you need still more weight, without the need for H.G.V. licence, there's our LP 808, the firmest possible foundation to accommodate a wide range of purpose-built bodies.

Our reputation carries some weight in other respects.

We're well-known for getting more commercial miles per gallon (up to 25% more) and more years per van.

At the lightweight end that's often 30 mpg without pushing things.

At the heavyweight end you still won't be paying a heavy price for owning one.

Because, big or small, a Mercedes-Benz is precision engineered for a long economical and reliable life.

We don't load the price either.

Although a Mercedes-Benz van has extras other vans don't have—like a luxury cab and factory finished paintwork both inside and out—you don't have to pay much more than you would for an ordinary van.

In the end, paying a little extra now will save you a lot of extra money later. For more details simply fill in the coupon.

To: Mercedes-Benz (United Kingdom) Ltd.,
P.O. Box 753, London SE1 5JX
Please send me details of the Mercedes-Benz van range.
Name _____
Company _____
Address _____
Tel. _____
Mercedes-Benz F.T. 6/9
The way every truck should be built. Mercedes-Benz
Weights shown are gross vehicle weights.

SyFA Solves Accounting Problems



A couple of aspirin may be a short-term solution to business headaches, but if you're looking for a permanent cure you need the SyFA System from Computer Automation.

Fully flexible and versatile, SyFA requires no specialist computer knowledge before any overworked finance or administration department is provided with quick and easy processing and instant information retrieval.

Low-cost SyFA systems have similar problem-solving capabilities in countless other applications, like stock control, personnel, brokerage, transport or reservations.

A typical system may start with only three or four terminals, each performing its own separate function simultaneously. As the need grows, so can SyFA: to provide stand-alone facilities and support for up to 24 terminals.

For more details, just ring Computer Automation, Commercial Systems Division on Rickmansworth (09237) 71211.

SyFA—Computing power where it's needed.

Computer Automation
C/A Limited, Computer Automation, Rickmansworth, Herts. SG8 6JH, England.
Telephone: Rickmansworth (09237) 71211. Telex: 835 80254.

NATIONAL MANAGEMENT GAME

1977

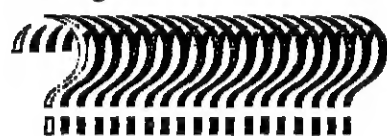
Sponsored by the Financial Times, International Computers Ltd. and the Institute of Chartered Accountants in England and Wales in association with the Institute of Directors and the Confederation of British Industry.

ENTER A TEAM...
TEST ITS
MANAGEMENT SKILLS...
WIN £1,000

Entry lists are now open for teams wishing to compete in the 1977 National Management Game—the annual championship that provides invaluable management training by simulating a boardroom environment in which team members work together to thrash out managerial issues—within a time limit, and under the pressure of competition.

The problems and risks relating to realistic business situations and the consequences of the strategies adopted are posed and appraised by computer. And each team is, in effect, a company making decisions on the deployment of its financial, marketing and manufacturing resources. The winning team is the one whose final balance sheet shows the greatest net profit.

Round 1 begins on December 29 1976 and the finals take place in London in July 1977. Entry fee per team: £50, including VAT. Closing date for entries: November 12 1976.



THE PRIZE

£1000

and entry to the European
Management Game finals
in West Germany

Individual awards are made
to all finalists.

NATIONAL MANAGEMENT GAME 1977
Request for entry form

To the
National Management Game Administrator,
International Computers Ltd.,
Victoria House, Southampton Row,
London WC1B 4EJ.

Please send an entry form and full
details of the 1977 NMG ☐

I enclose the entry fee of £50,
incl. VAT. ☐

Kindly tick boxes as appropriate

NAME

ADDRESS

THE FALKLAND ISLANDS AND ANTARCTICA

Problems of exploiting the South Pole's untapped storehouse

By PAUL CHEESEWRIGHT and HUGH O'SHAUGHNESSY

LONG STANDING business and political neglect of the Antarctic and its surrounding seas is unlikely to continue much longer. Two events this summer show why that should be so.

In London Lord Shackleton published the report which the Foreign and Commonwealth Office commissioned from him about the economic future of the Falkland Islands. It stated that there were immense fishing resources in the region and possibly deposits of hydrocarbons comparable in some ways to those of the North Sea.

Earlier in July, a meeting of the signatories of the Antarctic Treaty in Paris pointed to the increasing need for an international régime to regulate the economic exploitation of Antarctica's natural resources at a time when incentives to press ahead with this economic exploitation are growing.

Of all the resources of the Falklands the fisheries are the most exciting. In the waters of the Falklands region there are to be harvested, according to Shackleton, 1m. tons a year of blue whiting, the fish which could become a substitute on British tables for Icelandic cod, as well as an abundance of other fish, from Antarctic cod to hake which would be immediately acceptable to the British housewife.

But by far the biggest potential resource is krill, a shrimp-like animal about 4 cms. long which is 16 per cent. protein. The British territory of South Georgia is in the centre of a concentration of krill which scientists have described as the largest untapped source of protein left in the world. It is conservatively estimated that 150m. tons a year of krill, or more than twice the whole world's fisheries landings, could be taken from the waters around South Georgia. The problem is that no market has yet been developed for krill. For human consumption it would probably have to be rendered into a paste and textured and flavoured by the food technologists. Alternatively it could be used more wastefully for animal feed.

These attitudes anger some of the scientists and a few of the trawler owners. Their argument is that Britain should capitalise on the decades of scientific work put in by the British Antarctic Survey and its predecessors which has given Britain a very strong position in the region. The logistics and marketing difficulties should be overcome, and Britain should start to harness

of fish and krill in their most successful fishing season. The Germans are confident that with powerful boats they can take 300 tons a day per boat of krill in Britain. Meanwhile the South Atlantic fishery prospects estimates indicate that the fish in general and those for krill in particular are the subject of heated debate. The majority opinion in the trawling and pro-



The Krill:

1½ inches long and 16 per cent. protein.

"The British territory of South Georgia is in the centre of a concentration of krill which scientists have described as the largest untapped source of protein left in the world."

cessing industries is that the South Atlantic is too far away, will set aside the funds necessary, or leave it to somebody else.

At the very least it is argued that Britain should actively maintain its options and think forward to the possibility of swapping fishing rights in the South Atlantic for rights nearer the British Isles. The next two or three years will show which view will prevail.

While the krill and fish battle is being fought out in the Whitehall Ministries and the Boardrooms of Hull and Grimsby the potential of Falkland oil is being assessed. No one disputes that the amount of oil that could be found in the waters around the Falklands could be very great. The U.S. Government's Geological Survey suggests that 200bn. barrels could be contained in the whole Patagonian offshore area. Shackleton vigorously disputes that as being based on nothing more than "a series of enormous hypothetical assumptions."

He does however say that in the Malvinas Basin there are sedimentary thicknesses of up to 3½ km. comparable with many areas of the North Sea. Contrary to popular belief the climatic conditions are no worse and possibly better than in the

North Sea. In an intriguing comment on the special impact of any oil and Shackleton suggests that if 200,000 barrels of oil were to be produced daily the income of the 2,000 Falklanders per caput could reach £12,000 a year or twice that of Kuwait.

Given the financial will and assured markets, these resources could be exploited within the next few years. That is not the case for the minerals that lie in Antarctica and offshore, south of 60 degrees. Despite the scientific research effort during the last 20 years, knowledge of the quality and quantity of these mineral resources is scanty. But enough is known of the problems involved in discovery and development to suggest that only the next generation or the one after that will want to exploit them.

The existence of the minerals has been established. Scientists have made what the U.S. Geological Survey calls "a theoretical geologic reconstruction of the ancient relationship of the major geologic provinces of Antarctica to comparable ones in the adjacent continental masses of South America, Africa, India, and Australia."

This leads to the assumption that the physical and chemical processes which caused mineral formations took place in Antarctica, before it separated from an ancient continent. At the same time surveys on the ground and offshore have revealed the presence of minerals. The discoveries have not so far revealed deposits, rich enough to be classified as commercially exploitable in present day terms. Copper, gold, silver, molybdenum, chromium, nickel, and cobalt have all been found. Soviet geologists think there might be major deposits of iron ore on the strength of their research. Offshore there are manganese nodules, although these are thought to be less rich in metals than nodules found nearer the Equator. There have been indications of gas and oil offshore, but onshore the fractured nature of the sedimentary rocks suggests that oil and gas may not have been preserved.

The great problem about Antarctic minerals and research into their extent is the ice-cap which covers 98 per cent. of the continent and is up to one mile thick. But technologically, the work in the northern polar regions, and the existence of lead-zinc mines on Baffin Island in the Canadian Arctic and in Greenland, show that the

threshold is being pushed further and further. There seems little doubt that mining and oil extraction could be extended to the Antarctic if the commercial desire was strong enough.

Water supplies

For the moment this is unlikely. The east is too great as long as natural resources are more easily available in gentler climates. There is enough difficulty in arranging financial packages for known deposits elsewhere for there to be much concern about Antarctica. But these factors have not prevented some companies applying to explore offshore to the British and New Zealand Governments, both of which have sectors of Antarctica. The number of applications has been few, but the number of enquiries has been greater, usually it is thought from small companies that might wish to trade their licences at a later date.

Large companies have generally been deterred from keeping much more than a watching brief in the area by the distance of the continent from major markets and the political uncertainty involving areas of disputed sovereignty. No licences have been given, and none are likely to be, until some form of regime for the control of the continent's exploitation has been worked out by the Antarctic Treaty powers. It is this contentious subject that officials from the 12 nations involved have been tackling during a recent meeting in Paris.

Though the knowledge is of little practical use at the moment, scientists point out that the Antarctic ice cap contains two thirds of the world's supply of fresh water, a resource that is not as plentiful as it once was in industrialised societies. The export of icebergs to parched areas such as, say, the Atacama Desert of Chile to provide fresh water could be economically viable. Of more long term importance is the monitoring of the melting of the ice. Research shows that if in some disaster the whole of the Antarctic ice cap melted the sea level around the earth would rise by 200 feet and that if only the Ross Ice Shelf broke away or started to melt it would push up the sea level by 7-8 feet, causing flooding in many ports and coastal towns. From many points of view the region has an importance that few would have suspected even a decade ago.



Bringing a gentle warmth to half the world and more.

Gracious hostess in her sarong kebaya. She has a way with people. A natural smile. A gentle warmth. You'll meet her five mile high. In exclusive 747B, 707 or 737 comfort. Across three continents She'll care for you as only she knows how. Our girl. The heart of Singapore Airlines.



SINGAPORE AIRLINES

A great way to fly.

See your travel agent or call SEA now: 143/147 Regent Street, London, W1R 7LB. Reservations: Tel. 01-899 5411, 679 Royal Exchange, Manchester M2 7EZ. Tel. 061-834 835/45. Stock Exchange House, St. George's Place, Glasgow G2 7JL. Tel. 041-204 0656/5. The Rotunda, 7th Floor, New Street, Birmingham B2 4PA. Tel. 021-643 5171.

مكتبة الأمل



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHUETERS

OFFICE EQUIPMENT

Philips in word processing

WORLD LAUNCH took place yesterday of a new family of word processors—the Philips WP2000 series—developed by Philips Gloeckensfabrieken, Eindhoven, the Netherlands. It is the culmination of four years' research and development and marks the entry of the giant multi-national company into this hotly contested area of electronics technology.

WP2000 has video display, automatic printing and text revision and editing facilities. Operational simplicity is the keynote and all functions of the machine are under direct control of the user.

It is "user friendly" in that the WP2000 does not give instructions to the user but provides instant feedback for the operator by indicating on the video screen all operations entered on the keyboard.

Display operating has been adopted, as it is simple to run, silent, fast and does not produce waste in the form of draft paper. To ensure outstandingly clear text on the screen, the VDU displays 24 lines of enlarged characters.

Automatic scrolling (movements up or down the page) provides instant access to any part of the page. Up to 125 characters can be entered on each line. Display colour is green to minimise operator fatigue.

Training time to useful productivity for an average typist is only a few hours. Full training is easily completed in two days.

When the WP 2000's operator types a text it is stored in an electronic memory and appears on the screen of a video display unit (VDU) at the same time. The operator can easily and quickly modify the text, until it is perfect. Then at the touch of a key the WP 2000's high speed electronic printer prints out the finished text. Texts can be recorded on magnetic cards or flexible discs and subsequently reproduced on the screen or printer as many times as required.

Any office requiring efficient word processing can benefit from the new system, which is ideal for text revision, programmed correspondence and serial letters. Three versions will be initially available. All have an advanced

devices are able to assume. While neither is yet available as a matter of commercial routine, it appears that IBM is moving very fast to cover areas where the devices are likely to make an immediate impact. Further, from IBM, at the Thomas J. Watson Research Center, PoB. 218, Yorktown Heights, New York, U.S.

Economical reference prints

OZAFAX UNIVERSAL 4-5 reader/printer is the latest addition to the microfilm range of equipment marketed by Ozalid (U.K.).

It is a compact desk-top model for making reference prints from most of the usual microfilm formats, accepting 35mm aperture cards; 35mm roll film (with adaptor); 16mm roll film (with adaptor). The unit is top loading for comfortable viewing on an angled screen. The operator may either sit or stand.

Prints are produced by the electrostatic method to A4 or A5 size and with a wide latitude of exposure—a particular advantage when film density variations occur.

Ozalid say the new unit can produce high-resolution reduced size reference prints at approximately 2p for an A4 copy. A Bi-modal facility enables positive prints to be made from either negative or positive microfilm.

Further from the company at Cowdray Avenue, Colechester, Essex, CO1 1XU.

Renting a powerful calculator

DESK-TOP calculators by Hewlett-Packard are available on hire or rental from Hamilton Executive Services.

Immediate delivery on short-term hire is useful for software development or one-off projects and extension of existing in-house facilities for sudden peaks of work. One- and two-year rental schemes provide an easily budgeted solution for the more permanent installation. Hamilton is on 01-739 3444.

AVIATION

Fire tender makes its debut

MAKING ITS debut on the Tay-mech Aviation Equipment stand at the Farnborough Air Show this week is a new fire and crash tender, the Primary II.

It is claimed to offer full cross-country capability on a standard Bedford MFR short wheel-base 4 x 4 chassis. The tender carries an 810 cubic metres per hour foam monitor and also two hand monitors, each capable of discharging foam at 270 cubic metres an hour.

Tay-mech Aviation Equipment is a design and manufacturing unit within the Mechanical, Electrical and Process Division of Taylor Woodrow Construction. It supplies mobile and static aviation servicing equipment and has its headquarters at Southall, Middlesex.

INSTRUMENTS

Thermal recorders

SIX and eight channel recorders that use a heated stylus on heat sensitive paper are being marketed in the U.K. by Gould Advances, Rayham Road, Bishop's Stortford, Herts (0279 66105).

Made by Alicograph, the ED88 has six 50 mm wide channels and the ED89 eight 40 mm channels. Nine chart speeds from 0.25 mm/sec to 100 mm/sec are provided and the frequency response is up to 100 Hz for ten divisions and 50 Hz for 50 divisions.

The thermal writing technique renders the trace immediately visible; there is no fading or other deterioration. A vertical paper drive with rectangular co-ordinates is used; paper is in 45 metre rolls and an indicator shows how much is left.

The paper may be driven in short steps or continuously, and remote control facilities are available. "Start" and "stop" commands are given by a 5 volts TTL signal, while speed may be controlled by an analogue voltage (0.1 volt per mm per sec). Time markers are provided and event markers are optional. Non-linearity is within one per cent of full scale and overshoot less than 2 per cent.



Police cars answering emergency calls in Rome will soon be in direct touch with a computer for information as they race to the scene of the crime. Under export contracts together worth over £200,000, a computer system originally developed for Glasgow Corporation's fire department, now part of Strathclyde Fire Brigade, is being supplied by Honeywell and Muirhead. Honeywell is supplying a central minicomputer and associated software and equipment and Muirhead the mobile facsimile recorders that will receive and print out information

in patrol cars from the computer's memory bank over a radio link. The system, developed by Honeywell's Systems Centre in Hemel Hempstead, is being installed this week. The information to be stored in the computer and instantly accessible will include details of all hospitals, fire departments, garages and other services scheduled in Rome's 10,000 or more streets. Records of police car movements will also be maintained, as well as operational data for special occasions and emergencies, contingency plans for emergencies and so on.

COMMUNICATIONS

Easy-to-use terminal from U.K.

TO FACILITATE message transmission on communications networks, a new buffered terminal, with editing features, has been produced by Enquiry Systems of High Wycombe, Bucks.

Compact (5.5 inches high by 15 inches wide by 12 inches deep), it weighs only 13 lbs, is silent in operation and can handle a block of data containing one or more messages, with no restrictions on content. A three-row keyboard, with seven control keys, generates the memory and display functions.

The terminal is offered with store size of 1,024, 2,048 or 4,096 five-bit characters. Speed is programmable within the range of 50 to 300 bits per second. The telegraph receive and transmit level-changers are solid state and optically coupled to internal

logic to provide 2.5 kV isolation. An external telegraph power supply is required.

Other design points include interface for hard copy serial character printer; a margin warning device, which is optional; and auxiliary parallel input and output interfaces to permit connection of devices such as card readers, badge readers, cassette recorders and small printers.

Enquiry Systems, Halifax House, Coronation Road, High Wycombe, Bucks. HP12 3SE. High Wycombe 23416.

ELECTRONICS

Holds the reading on demand

TOUCH-HOLD describes the action of a probe unit available as an accessory with a new Hewlett-Packard multimeter. It lets the user "freeze" the reading on the display—a con-

venience when probing closely-packed circuit boards. Accurate enough for both bench and field use, the 3435A multimeter is autorangeing on AC and DC volts and resistance. Current ranges are selected manually. Lighted front panel annunciators display the function and its units.

The digital multimeter covers a DC measurement range from 200mV full scale to 1200 V full scale with a mid-range accuracy of ± 0.1 per cent of reading ± 1 digit. The AC measurement range is 200 mV full scale to 1200 volts rms full scale with a mid-range accuracy of ± 0.3 per cent of reading ± 3 digits over a 30 Hz to 100 rms bandwidth. Both AC and DC current measurement range is from 200 microamps to two amps.

Current accuracy in DC for the 20 micro A to 20 mA range is ± 0.3 per cent of reading ± 3 digits. Current measurements in AC are made over a frequency band of 30 Hz to 10 kHz with a mid-band accuracy of ± 1.7 per cent of reading ± 4 digits.

Hewlett-Packard is at King Street Lane, Wokingham, Wokingham, Berks RG11 5AR. Wokingham 784774.



PACKAGING

Wraps up the bags

BAGS OF confectionery and similar products can be collated and assembled into corrugated board cases by a machine just introduced by the Pak-Master Consortium, Rockwell Packaging Machines, Welsh Harp, Edgware Road, London NW2 7AA.

The machine has what is called a semi-automatic station where bags are loaded for automatic collation. After they have been collated the bags are fed manually on to pre-cut corrugated case blanks. The latter are then automatically wrapped, around the collation and sealed to form transit cases for storage and distribution.

The machine is capable of handling up to eight cases per minute and can be used to pack cases of various sizes. A standard machine will handle packs with lengths ranging from 200 to 600 mm, widths from 100 to 400 mm and heights from 100 to 400 mm.

CASTING

Lower cost mould lubricant

FOSECO Steelmills International has introduced a new continuous-casting mould lubricant that is cheaper than rapeseed oil, the commonest mould lubricant, and can reduce application rates by up to 30 per cent.

Strandol is a high-grade lubricant of guaranteed composition consisting of a zero-ash low-sulphur mineral oil and a reduced organic-based additive. It is intended chiefly for use in the moulds of continuous billet casters.

A typical Strandol application rate for a 100mm square billet section is 0.14 to 0.20 litres per tonne of steel. On the same duty, rapeseed oil would normally be applied at 0.25 litres per tonne. Other advantages claimed for Strandol include a stable price, consistent availability, controlled quality, and reduced wear in the mould.

Fosco, Long Acre, Nechells, Birmingham B7 5JR. 021-327 1811.

"Beating the drought is a job for good management."

It now looks as if we may well be up against a long-term problem of water shortage. Every gallon, therefore, that we can save in industry is not only helping the nation but helping ourselves to maintain full production and employment.

British industry has always been noted for its capacity to react to difficult circumstances and I hope that every industrialist will now do his best to see that his own company mounts an active water-saving programme immediately.

It's not just in the production process that water can be saved. It's in kitchens, canteens, washrooms, transport bays and everywhere else.

Where water is used, water can be saved.

Harold Watkinson

Harold Watkinson, President, Confederation of British Industry



National Water Council

For free information and publicity material, contact your Regional Water Authority, or the National Water Council.

The Property Market

BY QUENTIN GUIRDHAM

Kleinwort launches farmland fund

On a bandwagon which has recently included FFPUT and Hill Samuel, Kleinwort Benson yesterday launched their Farmland Trust. The formal launch comes, naturally, after a fair sounding of the market by the merchant bank and the stockbrokers, Rowe and Pitman, who are taking a share of the management company equity rather than the usual front-end commission. The initial soundings apparently guarantee £5m, though they only want a fifth cash down and maintain there is no hurry to buy up to the limit and ask for the full commitment. At a guess, however, the fund might draw something nearer £10m, granted the institutional interest in agricultural land and the idea that the drought might produce cheap buys so the risk of bidding up prices to get the fund fully invested is a real one.

The managers concerned say they are aware of the danger. But they maintain that a 6 per cent initial yield is possible, putting their faith in coming on a rent review plus 50 per cent of profits in excess of this.

Their success could depend on the prices for vacant possession land. There are signs that this is increasing, following the pro-

mise of tenanted land legislation and the reluctance of institutional buyers to rely on the husbandry of what remain independent farmers or the chance that they have been lucky enough to buy fertile land with intertidal tenants.

The manager whom Kleinwort is relying on, though they have the power to break with him, is Dick Bilborough. As a proven businessman, his estimates of what returns he can get from farming, a trade he has been directly involved in for less than five years, may ring truer than some of the yields quoted by those habituated to rural life. At any rate, the fund has tied his company, Hallsworth (Farmland Trust) down to a formula which, incidentally, includes the legal form of an upwards and downwards annual rent review, an intriguing curiosity for commercial property followers.

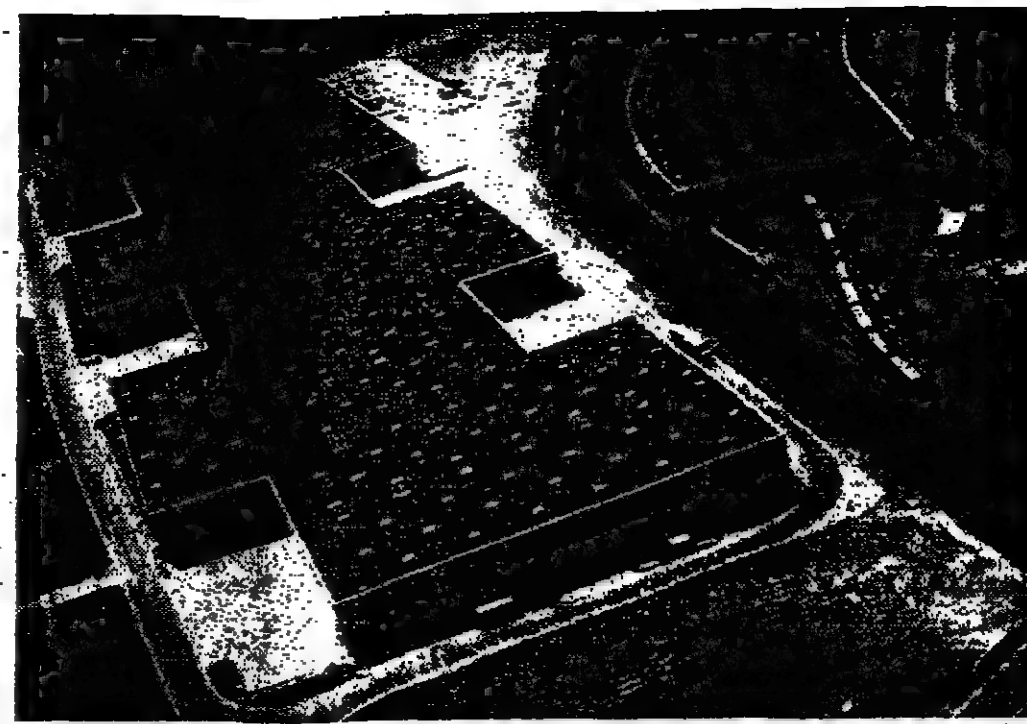
They will do the budgets each year, decide what should be paid as rent by Hallsworth (with Savills acting as the consultants, though valuation is done separately by Strutt and Parker) and then split the surpluses over the rent half and half. The 6 per cent yield is reckoned to come from the rent.

Practising such a fund yesterday was easily apt when much of the evidence for farmland investment rests on price harmonisation with the EEC in agriculture by early 1978 plus the likely further devaluation of the Green Pound, yet alone the real one. While the fundamentals move in favour of such operations, it is claimed that the private farmers, who still make the market in agricultural land, are buying less strongly than they were prior to

Aberdeen: steady, but no boom

When a terraced house in the west of Aberdeen, with outline planning permission for a refurbishment and change of use to 3,500 sq. ft. of offices, went for something over £75,000 in a tender sale last week by F. C. Burnett, it was another sign of the continuing buoyancy of the market in this oil town. But the interest may be mainly in this size of unit. A survey by Drivers Jonas indicates that, despite increased take-up since February, the market for the sort of large units which are meant to go with an oil boom is still sticky.

Large, in this context, means 25,000 to 30,000 sq. ft., and in practice it has not been the oil companies taking this range of space which have been the main tenants in Aberdeen. Once again it is the Government, among the large lettings have been the pre-let of the Stern block opposite Aberdeen station to the Vatmen, the DoE taking most of Ebury House, more civil servants in the South of Scotland Electricity Board Pension Fund's Inverlair House and the Post Office in International Caledonian Assets' Caledonia House. The large new blocks still looking for a return of the oil tenants are the Salvessen towers



Paddock Wood Distribution Centre, Kent, is an ambitious project in both the design and scale, the warehouse units here totalling 300,000 sq. ft. apart from the Transfesa Freight Terminal to the right. Initiated by fruit growers and backed by the National Westminster as well as a Spanish bank, the initial idea was very much linked to the Channel Tunnel, giving the hope of both export and import interest. Granted Channel's fate, it is no surprise that only 60,000 sq. ft. is so far taken up. But this was by fruit distributors, continuing to the previously

restricted use for agricultural and horticultural purposes. Now, after a DoE inquiry in which Kent County Council opposed any change, the developers have won their point to extend occupation to general Class 10 warehousing. Fuller, Horsey, Sons and Cassell have now been appointed to act jointly with Lambert and Symes to handle a new marketing campaign. No rents are being quoted, with the unit sizes going as low as 4,638 sq. ft. Something between £1.50 per sq. ft. and £1.50 may be the asking range.

towards the latter half of next year. On the industrial side, where some very fancy prices of £50,000 plus an acre for land were once paid round the airport, Drivers Jonas calculate that there is over half a million square feet of space available, but that 250,000 square feet of this is out-dated and that the new space vacant

The Financial Times Friday September 10 1976

has dropped from 340,000 square feet to 310,000 square feet this year.

But there are new schemes still going ahead. Teeland has started work on two units totalling 14,000 square feet for Samsen Ocean Systems (U.K.) and British Brown Boveri on three acres bought on the North Central has completed the Bridge of Don Industrial Estate. It has negotiations on for another 10,000 square feet on an estate and aims for another 20,000 square feet as well. Its rents, are around £2 a square foot.

On the retailing side most developments wait on a council decision about the central area scheme with Dutch developers Breda and also on a shopping requirements study which has been commissioned by Drivers Jonas. It seems as if Aberdeen, while its basic attractions as a regional centre remain, will not prove a boom town again in property terms until there are further commitments on exploitation of known fields by the oil companies. In the meantime it is the servicing rather than exploration business which is providing the extra impetus to what is a healthy market.

OUT AND ABOUT

Electricity Supply Nominees, represented by Richard Ellis, have let the office content of their development at 12/13, Lime Street, London, E.C.4, to four companies, all of whom were represented by Smith Melnick. The rent is thought to be £16 plus a square foot. The offices, totalling 7,300 square feet, have gone on 25-year leases to Dominion Assurance, H. S. Weaver (Underwriting), J. Union des Assurances de Paris, and Marlow (Underwriting) Agencies. What's unusual is that the four tenants are negotiating terms as a single package with the landlords.

Richard Ellis also did the project management, as they do with a 2,800 square foot office, also for ESN, which they have let to Mannesmann Suppliers and Services at 3, Cavendish Square, London, W.1. Chubb's acted for Mannesmann.

The Receiver to Lombard North Central has completed two transactions involving the North Tyne Industrial Estate at Longbenton, Newcastle upon Tyne. Printers Crawford Brothers have purchased 30,000 square feet of floorspace—the asking price was £225,000—while another unnamed purchaser has bought nine occupied units comprising 30,000 square feet of space for £220,000.

Industrial Estates and Properties of Teichow, in association with ICF Development, which is providing finance, have started construction of an 80,000 square foot Polypipe light factory for Jayce Furniture on the Highfield Industrial Estate, Eastbourne. Initial cost is £100,000 a year. Jayce is expanding from other premises as 400,000 square feet of warehouse/industrial units in multiples from 3,000 square feet of what 75,000 square feet are currently being built and 40,000 square feet let. Joint agents on this and on Industrial Estates and Properties' Newhaven scheme are Debenham Tewson and Chinnocks and Messrs. Skiles Horton Ledger.

About 41,000 square feet of office and warehouse space in the newly completed Parkway Trading Estate near Heathrow airport has been let by Lye plus a square foot. The offices, totalling 7,300 square feet, have gone on 25-year leases to Dominion Assurance, H. S. Weaver (Underwriting), J. Union des Assurances de Paris, and Marlow (Underwriting) Agencies. What's unusual is that the four tenants are negotiating terms as a single package with the landlords.

Joint letting agents Grant and Partners and Donaldsons say that negotiations are in hand for the letting of two further units, which provide a minimum of 20,000 square feet each.

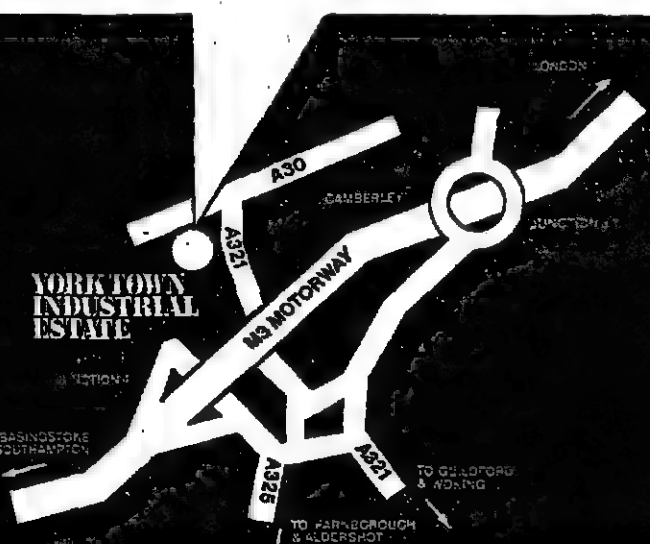
INDUSTRIAL AND BUSINESS PROPERTY

YORK TOWN INDUSTRIAL ESTATE

MAJOR INDUSTRIAL COMPLEX SITUATED AT CAMBERLEY SURREY BETWEEN JUNCTIONS 3 & 4 OF THE M.3
156,000 SQ. FT. ON 6.70 ACRES
TO LET AS A WHOLE OR IN UNITS FROM 24,000 SQ. FT.

John German & Son

Surveyors, Auctioneers & Valuers Established 1940
65, GROSVENOR STREET, LONDON W1X 9DB 01-493 4974



Factories & Warehouses

AMESBURY, Wilts.

Warehouse plus large Yard 7,500 sq. ft. TO LET

ASHFORD, Kent

New Warehouse Units 6,000-54,000 sq. ft. TO LET — IMMEDIATE OCCUPATION

CHRISTCHURCH, Dorset

Garage/Industrial Premises 17,000 sq. ft. FOR SALE FREEHOLD

FELTHAM, Middx.

Modern Warehouse with Offices 53,000 sq. ft. TO LET — New Lease

LONDON, N.17

Single Storey Factory/Warehouse Approx. 17,350 sq. ft. TO LET or LEASE FOR SALE

NOTTINGHAM

Georgian Building refurbished for Offices 3,200 sq. ft. TO LET or FOR SALE

RUSHDEN, Northants.

Modern Industrial Premises 23,670, 39,500, 94,000 sq. ft. FOR SALE FREEHOLD as a whole or in Units

SOUTH ACTON, W.3.

Single Storey Factory 6,200 sq. ft. FOR SALE LEASEHOLD

King & Co

Chartered Surveyors 1 Snow Hill London EC1 Tel: 01-236 3000 Telex 885285 Manchester Leeds Brussels

AN INDUSTRIAL PROPERTY MARKET PLACE

Runcorn, Cheshire

New factory/warehouse for sale 450,000 sq. ft.

New factory for sale/let 26,000 sq. ft.

Stratford, E15

Factory to let/for sale 19,000 sq. ft.

Dunstable, Beds.

New warehouse units to let 12,000 - 25,000 sq. ft.

Golden Lane, ECL

Warehouse/office building for sale/let 17,000 sq. ft.

Enfield, Middlesex

New warehouse/factory units to let 5,000 - 25,000 sq. ft.

Millwall, E14

New warehouse units to let 5,000 - 150,000 sq. ft.

Colnbrook, Surrey

Modern warehouse to let 8,500 sq. ft.

Erith, Kent

Industrial land for sale 10 acres

A Complete Advisory service on all Industrial matters — Internationally

JONES LANG WOOLTON

J.L.W. Industrial Dept. 33 King Street London EC2V 8EE Telephone 01-606 4060 International Real Estate Consultants Telex 885557

29 Offices in 15 Countries

FINCHLEY CENTRAL N.3. FRESHOLD OFFICE/SHOWROOM/STORES

Superb position by

TOTAL AREA 6,600 SQ. FT. APPROX.

NORTH FINCHLEY N.12. MODERN OFFICE/WAREHOUSE/SHOWROOM

Within 50 yds. of High Road

8,500 SQ. FT. APPROX. LEASE FOR SALE

MICHAEL BERMAN & CO 349 9211

258 Regent Park Rd. Finchley N.3

By Direction of The Water Board (1976)

WEST MIDLANDS — PENNS LANE — SUTTON COLDREID

Announcement of Sale of 25 Acres of Land for development in the residential area in the preferred situation

IN THE SUTTON COLDREID DISTRICT PLAN

The Trustees announce that an offer has been received of £20,000 per acre payable by some persons on the print of formal Planning Permission for residential development in respect of the above land with the immediate survey of a non-ferrous deposit of £100,000.

Any person wishing to obtain further details or to make an alternative offer should apply to the Trustees' Agents.

Closing date for alternative offers 12 noon Friday 8th October, 1976

Grimley & Son 258 Regent Park Rd. Finchley N.3

NEW OFFICES TO LET

92,000 sq. ft. air-conditioned building available in units from 6,000 sq. ft. Free cars, car parking. Close to main line station and City Centre.

Details from: CITY OFFICES CO. LTD. 81, Abchurch Lane, London EC4N 3AB. Tel: 01-588 1855

Prime Reversionary Investments Required

- ★ SHOPS, OFFICES & INDUSTRIALS
- ★ INDIVIDUAL LOTS OF £50,000 TO £10,000,000
- ★ RENT REVIEWS OR REVERSIONS WITHIN NEXT 10 YEARS
- ★ IMMEDIATE YIELD OF 3% TO 4%

Details to Fund Consultants

H. Healey & Baker

Established 1820 in London
29 St George Street, Hanover Square, London W1A 2BG 01-629 9282
ASSOCIATED OFFICES PARIS BRUSSELS AMSTERDAM & JERSEY

ISLE OF MAN



Easy reach Airport and Douglas
AN OUTSTANDING QUEEN ANNE RESIDENCE — Circa 1714

In immediate order and superbly positioned with rural/country views 8 bedrooms, 2 dressing, 4 luxury bathrooms (including master and guest suit), billiard room, 3 bar/cocktail rooms, modern fitted kitchen, office, full c.a. and other features.
Gate lodge, cottage, housekeeper's apartment, outbuildings comprising farm, laundry and barn.
Gardens and parkland of 17 ACRES
Freehold for sale
Joint sole agents:

CRYSTAL BROTHERS

& STOTT, Exmouth House, Alfred Street, DOUGLAS. Tel: 0824-23778

Hampton & Sons

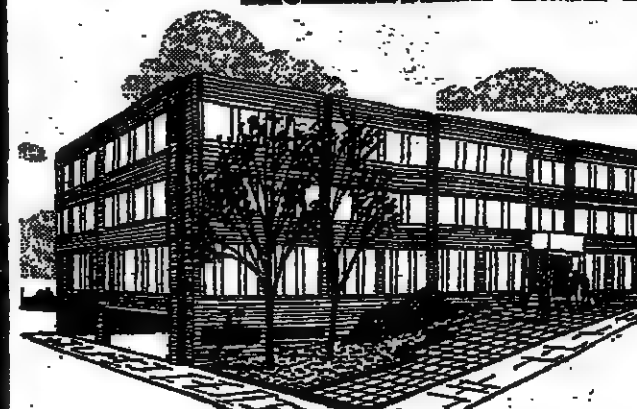
4 Arlington Street, LONDON SW1A 1HR. Tel: 01-851 3222 Telex 33341

OFFICES TO LET in Ingatestone, Essex

READY FOR IMMEDIATE OCCUPATION
Central Essex commuter area 3,500 sq. ft. - 7,350 sq. ft. A first class building constructed to high standards with ample car parking.
LEASING AGENTS
RAYMOND EVANS, Property Sales, 25 High Street, Ingatestone, Essex, SSW14 1JW. Tel: 02771 25222
TAYLOR & CO., Estate Agents, Chesham, Bucks. Tel: 0494 25501
COUNTRYSIDE PROPERTIES, 61-67 High Street, Watlington, Oxford OX11 1JG. Tel: 02737 2000

COUNTRYSIDE

LEEDS Ring Road — Superb Prestige Office Block RICHARDSHAW LANE PUDSEY



- FULLY AUTOMATIC LIFT
- 50+ CAR PARK SPACES
- CENTRALLY HEATED
- FULLY CARPETED
- EASY ACCESS TO LEEDS — BRADFORD M1 & M62
- DIRECT RAIL TO KINGS CROSS
- 5 MILES LEEDS/BRADFORD AIRPORT

It's worth going into Kingswood House.

For further details contact:

Peter E. Smith

Chartered Surveyor 4 South Parade, Leeds LS1 5QX. (Telephone Leeds 41857 & 466158)

LINCOLNS INN FIELDS

OFFICES TO LET

SQ. 375/750 FT.

WELL APPOINTED

Nigel King & Partners

Surveyors, Estate Agents, Auctioneers & Valuers UNION BANK CHAMBERS, 61, CARY STREET, W.C.2

TO LET CITY ROAD, LONDON EC1

(1 mile Holborn & Bank)

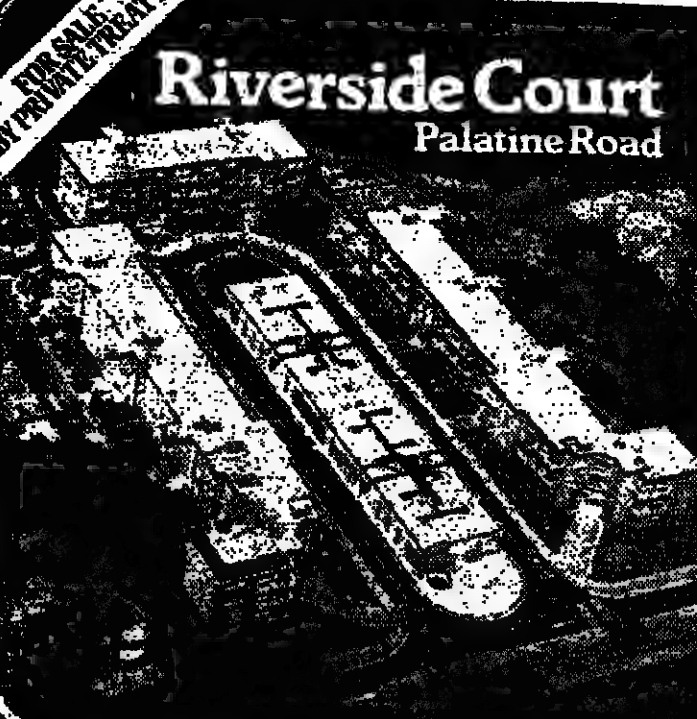
Newly refurbished period office building. Total net floor area 1,930 sq. ft. inc. 400 sq. ft. basement room. Car parking. Rental £4.40 per sq. ft.

Edward Rushton

2 Duncan Terrace, City Road, London N1 6BZ. Tel: 01-378 8611 Also at Manchester and Daresbury

مكتبة الأحمدي

Riverside Court
Palatine Road



FOR SALE BY PRIVATE TREATY

Didsbury, South Manchester.

A MAJOR RESIDENTIAL COMPLEX.
56,000 sq. ft. WITH OUTSTANDING POTENTIAL

36 modern purpose built flats.
96 self-contained bedroom/
bathroom units.
8,000 sq. ft. Restaurant/
Administrative Block.
40 garages.
All on freehold 5.2 acre site -
1.5 acres undeveloped.

Full vacant possession
excepting 5 flats

This development would be
suitable for Local Authorities,
medical/education bodies,
central and foreign govern-
ment organisations, social
welfare, builders, investors
and commercial concerns
with housing requirements.

Dunlop Heywood & Co.
Chartered Surveyors
90 Deansgate,
Manchester
061 834 8384

Gross Fine + Krieger Chalfen
27 Piccadilly St., Manchester
London W1R 8ND. Tel. 01 493 3993

OFFERED FOR SALE ON THE
INSTRUCTIONS OF THE
PROPERTY SERVICES AGENCY
ON BEHALF OF THE POST OFFICE
FORMER TELEPHONE EXCHANGE
180/182 ST. MARY'S LANE,
UPMINSTER, CSSEX
FREEHOLD BUILDING
4,840 sq. ft. net



FOR OFFICE CONVERSION
Together with a Single Storey
addition having an area of about
1,440 sq. ft. -
Appointed Agents

HILBERY CHAPLIN
Chartered Surveyors,
Commercial/Professional Dept.,
135 South Street, Ramford, RM1 1PP.
Tel. Ramford (76) 49004 (7 lines)

A PROPERTY INVESTMENT MARKET PLACE

Jones Lang Wootton are seeking
investments for their clients

**SHOPS, OFFICES
INDUSTRIALS
AGRICULTURAL LAND**

JONES LANG WOOTTON
Chartered Surveyors
International Real Estate Consultants
103 Mount Street London W1Y 6AS
Telephone 01-493 6040 Telex 23858

Contact:
N. D. Holmes, A.R.I.C.S.
R. S. Broadhurst, A.R.I.C.S.

Now completed -
Brochure and terms available

**364/366 HIGH STREET
KENSINGTON W14**

An impressive and luxuriously
appointed air-conditioned office
building ideal for large Company
headquarters - comprising

58,712 square feet. Net

- Superb Entrance and Reception area
- Private Car Park, up to 70 additional spaces available.
- Close Carpeted throughout ● Fully Decorated.
- Air Conditioned ● Executive Penthouse Flat

A detailed inspection is invited by appointment
through the landlords Surveyors -

Wright & Partners

32 St. James's Street London SW1A 1HD
Telephone: 01-493 4121

**PRESTIGE OFFICES TO LET
10,970 sq. ft.**

Located 12 miles West of London and 2 miles North of Heathrow
Airport and the M4.
Self contained offices with prestige entrance hall.
Car parking for 24 cars. Six person passenger lift.
Anti solar double glazing.
Fitted carpet throughout. Gas fired central heating.
Immediately available.
Division considered.
Brochure and plans available from joint letting Agents.

Joint Letting Agents:

WALKER SON & PACKMAN

3/6 TRUMP STREET
LONDON EC2V 8DD
01-606 8111

FARR BEDFORD

41 THE BROADWAY
EALING, LONDON W5 2NP
01-579 9282

**Craigs Court House
25 Whitehall, London SW1**

Entire Building Comprising
Approx 12,500 Square Feet
Of Modernised Office Space

TO BE LET

on a full repairing & insuring lease

Further information and terms
may be obtained from: The Chief Surveyor,
The City of London Real Property Co. Ltd.
Vincula House, 29/31 Tower Place,
London EC3R 6BP Telephone: 01-623 3133

Small suites of varying sizes also
available in:

**Trafalgar Sq, Victoria St.,
and Whitehall.**

**BANBURY
TRAMWAY INDUSTRIAL ESTATE**
Last Remaining Industrial Warehouse Unit
14,000 SQUARE FEET



There is only One Unit Remaining on this very Successful Industrial Estate in Banbury.
20ft Eaves Height Heated Offices Car Parking Good Toilet Facilities.

RENTAL £14,000 PER ANNUM

Hillier Parker
77 Grosvenor Street,
London, W1A 1BT.
01-429 7666

**EDWARDS
BIGWOOD
& BEWLEY**
13 Horse Fair
Banbury, Oxon
0295 50484

CRUICKSHANKS
28 High Street,
High Wycombe, Bucks.
0494 23701

**CLOSE TO HEATHROW
WESTGATE ESTATE, STAINES ROAD
TO LET**

PRESTIGE NEW WAREHOUSE DEVELOPMENT
TWO UNITS 15,262 sq. ft. - 26,768 sq. ft.
For further details apply Joint Sole Agents:

Hampton & Sons
6 Arlington Street,
London SW1A 1RB.
Tel. 01-493 8222
Telex 25341

JONES LANG WOOTTON
Chartered Surveyors
33 King Street,
London EC2V 8EE
Tel. 01-406 4060
Telex: 885557

Malvern House, EC4.

CITY OFFICES

3rd floor.
approx. **5,855** sq. ft.
(plus storage)

- Open plan
- Good light
- Central heating
- Two lifts.

TO LET

Apply sole agents
Hailey & Baker
118 Old Broad Street, London EC2N 1AR
Telephone 01-528 4361
Also at 100 Abchurch Lane, London EC4N 3DF
Also at 100 Abchurch Lane, London EC4N 3DF

LEASE FOR SALE

Prestige Warehouse with
20% OFFICE CONTENT
adj. to London Airport
Total Area 31,000 sq. ft.
with the benefit of 26,000 sq. ft.
of warehouse sublet producing

£23,123 p.a.

ECC INTERNATIONAL
Mansford House, Beth Road,
Conford, Middlesex TW5 8QQ
01-759 0966

KINGSWINFORD
14,582 sq. ft.
SUPERB MODERN OFFICE BUILDING
TO LET OR FOR SALE



Gross
Fine + Krieger
Chalfen

27 Piccadilly St., London W1R 8ND
Tel. 01-493 3993

**DAVID
BRIDGE
SELLERS**
202 Hagley Rd., Birmingham B16 9PP
Tel. 021-454 3955

**MAYFAIR
HEADQUARTERS OFFICE
BUILDING FOR SALE**

An opportunity occurs for a concern to
acquire a long leasehold interest in a
fine air-conditioned building of approxi-
mately **15,000 sq. ft.** with executive
flat and car parking.

Enquiries to Box T.4395, Financial Times, 10, Cannon
Street EC4P 4BY.

Paddock Wood, Kent
Distribution Centre
superb new warehouse units
4,650-100,000 sq ft To Let

- Immediate occupation
- Excellent first floor offices
- Sprinkler system
- Adjacent to Freight Terminal

JOINT LETTING AGENTS

Fuller Horsey

Sons & Cassell
52 Box Lane
London EC4A 3ET
Tel. 01-248 7955

Lambert & Symes

77 Commercial Road
Paddock Wood,
Kent
Tel. 0292 823325

**WELL FITTED
DISTINCTIVE MODERN MANUFACTURING COMPLEX
Earlrees Industrial Estate
CORBY, NORTHANTS.**



**123,870 sq. ft. approx.
on nearly 12 Acres**

Present rent only
about 39p per sq. ft.
**14 Year Rent
Reviews**

**LONG LEASE
FOR SALE**

**Chamberlain
& Willows**
Estate Agents • Surveyors • Valuers
23 MOORGATE LONDON EC2R 6AX 01-638 8001

STOCKPORT
Key position, Town Centre
RETAIL STORE
Freehold Shop Premises with
Warehouse and vacant site to
develop. FOR SALE.
Enquiries to:
QUAYLES LTD.
39, Great Underbank,
Stockport, Cheshire

PRESTIGE CITY OFFICES
TO LET

3 executive offices plus secretarial area. Excellent location,
close to Bank Underground. Share reception, conference room,
office services and facilities. Ideal for small finance investment
or legal firm. Immediate occupation. For further details, ring
606 4144 (Office hours)

For information please contact
ROSEMARY ANDRIVE
 01-248 8000, Ext. 455

Write: Box E-8508, Financial Times,
 10, Cannon Street, EC4P 4DY.

The Management Page

Companies will face many changes with the growth of industrial democracy. Last Friday on this page David Basnett of the General and Municipal Workers' Union argued for flexibility rather than compulsory worker directors. Now Ken Durham, a Unilever director, replies alongside a report of an Esso survey.

Unilever's participation plan

ENOUGH INFORMATION has been recently about the operations of the Bullock Inquiry on industrial democracy that the Ark Royal. But the water is so murky that it may well foul the boat's bottom, and put at risk the health of our free-enterprise system.

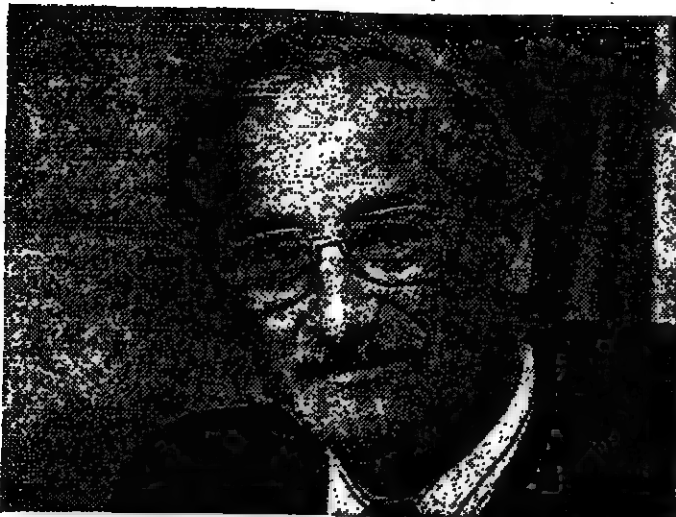
It is imperative that everyone should understand the significance of this inquiry. It is certainly the most important of its kind since Lord Beveridge changed the nature of our society after the Second World War. The consequences of Bullock could be just as far-reaching. Its recommendations are likely, ultimately, to transform the way we run our industrial society. Changes of such magnitude must be made with caution.

The inquiry, we are told, is now moving towards the concept of a single-tier Board structure, with equal representation for workers and shareholders, and with a small central group of independent directors holding the balance. Such revolutionary proposals fill me with the deepest forebodings.

Greater say

It is understandable that men and women on the shop floor and in offices should want a greater say in how, when and where their energies should be expended. Such aspirations are to be encouraged. What matters is whether we create a constructive coming together of management and workers to provide a more prosperous society in which everyone shares — workers, shareholders and the community at large — or whether we finish up with a sterile system that merely stifles economic advance.

Any relationship between management and workers is a delicate affair: it varies greatly from company to company and reflects the origins and development of each company. I distrust profoundly formulas that try to fix these relationships in a legalistic straitjacket. Our experience with the industrial



Mr. Ken Durham, Unilever's regional director responsible for the U.K. and co-ordinator of the company's animal feed business worldwide.

Relations Act should act as a warning against overturning established practice without great thought for the future. Indeed the trade union leaders on the Bullock Inquiry should be very sensitive to this danger. I believe that industrial democracy must be an evolutionary, rather than a revolutionary, process. It must be built upwards from the shop and office floor if it is to be successful and it must engender a feeling of commitment, not conflict. It cannot simply be imposed at board level. Without an extensive root system within the company it will wither for lack of nourishment. It must win the approval and reflect the desires of all employees — not just the trade unionist representatives.

The need to develop employee participation is an important and pressing matter. Employees have a clear right to as much information as is available to shareholders: they have issues directly affecting their working environment and security explained to them and their views sought in a formal way and to have decisions in these areas discussed with them. On the one hand this develops

together all groupings, unionised and non-unionised, involved in the fortunes of an individual subsidiary. To this end we are encouraging the establishment of company councils in all our sizeable subsidiaries with the double aim of creating comprehensive participation at company level and stimulating further participation at local unit level.

The basic principle behind the councils is that all representatives should be employees and all employees, whether trade unionists or not, should be eligible to participate. The councils would not be concerned with matters subject to union collective bargaining. Matters they would be informed about have authority to discuss and express opinions on would cover: economic and marketing matters such as sales possibilities and projections, budgets, balance sheets and investment trends; production matters involving planning, re-organisation and new technology; personnel issues involving manpower planning, recruitment, promotions, labour turnover and training; and special issues such as ergonomics, safety, health and hygiene.

We have to be flexible and allow these developments to move at the pace best suited to the company. For example SPD, our transport company, has had site consultative committees for some time, while Birds Eye has progressed to company councils where all employees and sites are represented. These developments are not substitutes for existing procedures built on agreements with trade unions — rather they complement them.

Not convinced

I am by no means convinced, and some trade unionists share my view, that Board-level representation is the most effective way of ensuring successful employee participation. I am sure, however, that going by Unilever's experience in other North European countries establishing employee participation below Board level for a number of years is an essential first step to Board representation. If indeed Board representation is what the workforce wants.

The Bullock Inquiry is said to favour representation on a unitary or executive Board. Unilever's experience in Sweden is inadequate to judge the effectiveness of the type of unitary Board representation developing there, but our larger experience in Germany and the Netherlands leads me to favour the two-tier or supervisory board system because of the clarification of roles which it brings. The professional management of a company must be allowed to manage within a framework of accepted policies, and not subjected to detailed interference.

Equality employee representatives on a Board must shoulder the same responsibility as other Board members for the corporate government of the company. Collective responsibility is essential; anything less would make the management of a company impossible.

The TUC believes that election to Boards should only be via independent trade unions — the single channel concept. It is hard for any company that is concerned to develop an effective system of employee participation to contemplate large sections of its workforce being disenfranchised.

Such a system is unlikely to foster the employees' sense of identity with the company.

Unilever, like many other companies in the U.K., has a group structure consisting of a number of wholly-owned subsidiaries. To have a supervisory board at the level of each subsidiary company may have the advantage of involving employees close to the affairs of their own workplace, but as it would be charged with responsibility for a particular subsidiary company, it could not reasonably be expected to be responsible for the wide interests of Unilever employees.

Business books

Contrasts in Management, by Rosemary Stewart. McGraw-Hill, Shoppershangars Road, Maidenhead, Berkshire SL6 2QL. £3.95. A study of different types of managers' jobs and why their demands and choices differ.

The Second Time Around, by Malcolm Levine. Davis-Poynter, 20, Garsick Street, London WC2E 8EL. £3.75. An analysis of why people are made redundant and how to make a second career more successful than the first.

Esso managers want to represent themselves

BY JOHN ELLIOTT

STRONG SUPPORT for the traditional system of line management to be developed as a company's primary method of communication and consultation with its staff has emerged in a survey of Esso Petroleum managers working in the U.K. At the same time however these managers — ranging from front line supervisors to department heads just below Board level — and earning between about £4,000 and £18,000, want consultation arrangements associated with line management to be strengthened. They also feel Esso does not consult them as much as manual workers.

Nevertheless, the managers shun the idea of creating formal representative arrangements, such as trade unions, for themselves. Instead they want better arrangements to allow them, at whatever level they work, to discuss ideas and problems with their peers and superiors. Prompted partly by the Bullock Inquiry on industrial democracy, Esso set up a five-man inquiry into its managers' attitudes at the end of last year. The team, which interviewed 150 managers, was headed by Mr. Kenneth Adams, director of studies at St. George's House, Windsor, and the other four members were managers from various parts of Esso's U.K. operations.

It operated against a background of extensive formal and informal consultation systems already set up within Esso. With 9,000 U.K. employees, the company has trade union-based joint consultative arrangements for manual workers, and employee-based staff committees for its white-collar workers who are not unionised. The inquiry found that the manual committees worked well. But the staff committees were not well-attended and in any case did not effectively embrace managers because those earning about £5,000 upwards preferred not to be actively involved — they either considered themselves to be members of the "management side" or they feared their careers might be jeopardised.

Defines role

In all there are about 70 of the formal manual and white-collar committees, normally meeting monthly in Esso's main plants under a chairman alternating between the management and staff representative. Esso defines their consultative role as enabling employees to take part in decisions while

leaving the final decision-making to management.

Put another way, this means that Esso does not want to move formally into the realms of joint decision-making. But it does recognise that it is bad management to make a decision without ensuring that the result is going to be operated effectively by the employees. Within commercial limits, but preferably without the formality of signed agreements or legal statutes, Esso like many other companies seems willing to increase its employees' influence. Exactly what this should mean for the future of consultation with all its employees is now being considered.

Without exception, says the report, the managers interviewed considered that line management should be the prime system of communication and consultation and felt that it should be regarded as the "basic management characteristic on which the company's success depended." They also believed that the concept of total accountability within the line was not only necessary but desirable — illustrating the problem of blurring this accountability by giving union representatives some decision-making responsibility.

On the other hand, it emerged that a line management approach only worked effectively where there were formal and regular meetings between different management levels. "Where meetings were informal, un-planned, or did not take place, subordinate managers questioned the ability of the line system effectively to handle communication down the line and felt that real consultation was not taking place. Casual, informal, individual meetings often failed to communicate essential information, led to breakdowns in co-ordination, and were not regarded as effective consultation opportunities."

However the report is quick to point out that managers differentiate between the sorts of consultation they want with their superiors and that which they consider necessary with their subordinates. The preference for formal arrangements, says the report, emerged from the observations of managers looking up the line. "Where regular meetings did not take place, a similar perception looking down the line was not detectable and many managers in this situation relied upon the 'my door is

Open door' management philosophy to demonstrate the willingness of the manager to communicate but it requires the initiative of the subordinate to become effective."

Against this background, the report concluded that "certain inherent weaknesses are detectable in even the most highly developed line management system." Among these weaknesses was the fact that an employee could never speak entirely freely to his manager, that there was no provision for "peer group" views to come together at different management levels, and that there was no way of canvassing diverse opinions on a range of company activities.

Strengthened

"Line management is strengthened in effectiveness when as many of the factors surrounding a decision as possible are known. It is weakened when they are hidden. Therefore, any system which helps to expose all the factors, will strengthen and not weaken line management," says the report. "A parallel or interlocking consultation system will strengthen line management."

At present however managers believed there were three different standards of consultation being operated by Esso. "They saw the company as very ready to consult with hourly paid employees because it had to. They saw it as less ready to consult with non-managerial staff because the same compulsion did not exist. They saw it as not aware of the need to consult managers because it did not have to." At the same time however, these managers were not prepared — as has already been mentioned — to become involved actively in the staff committee system.

The conclusion reached by the inquiry and now being considered within Esso is whether the managers should be hived off into a separate committee system or whether constituencies within the existing staff system should be re-defined to ensure that managers play a role. This might well, however run up against the report's finding that "while managers feel deeply the need for improved consultation, they wish neither to be unionised, nor formally represented. They seek a system which enables them better to represent themselves."

WHAT'S THE POINT OF A CONFERENCE IF THEY MISS THE POINT?

At The Heathrow Hotel we do all we can to make sure they don't.

For instance, in our 262-seat York Videotheatre we have almost every feature you could want. Including closed-circuit TV at every seat. So charts and illustrations can be clearly seen, down to the last detail. Even in the back row.



Then again, there's the big exhibit which has to be seen to be believed. It's incredible what we can get into our Wessex Ballroom.

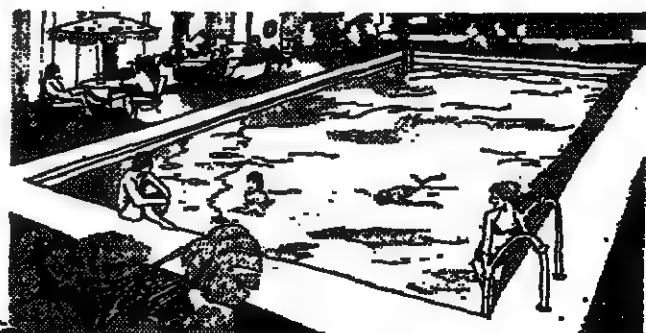
Of course there are other points to consider, even though we have the most advanced conference complex in Europe.

There are 700 bedrooms, for example. And no more than a lift ride away. So delegates won't be too tired from

travelling to get what you're getting at.

There's our Swimming Pool, the Sauna and the Solarium. To tone up the body and hone up the brain.

And two restaurants. Plus the magnificent Flying Machine Bar. And the Sir Francis Drake Disco. To keep them on their toes



when boredom might be driving them out of their minds, or out on the town.

If you'd like to know more, just write to us.

Or phone our conference manager at: The Heathrow Hotel, Bath Road, Hounslow, TW6 2AQ. Telephone: 01-897 6363.



The Heathrow Hotel Conference Centre
Just a little more know-how



Just when you think you've found the answer, you're not sure of the question.

You find your printing costs are escalating. So you try to find a more economical machine. Whereupon you find the machine, although cheaper, doesn't do all you'd wish it to do.

Causing your company to continue yet another alternative. Yet another machine. Yet another set of facts and figures. Unfortunately, with one exception, there

isn't a single manufacturer in Britain that sells all four systems of reprographic machine. Happily we are the exception. Roneo Vickers.

We sell photocopiers, stencil duplicators, Offset machines, Spirit machines. Which is good to know, when the choice of system as much as the machine is the key to quality and cost control.

We'll be pleased to offer you advice that is quite genuinely unbiased. Down below, we've set out a few questions. To tick them off will take only 30 seconds or so. After which, we'll do the rest.

One of the Roneo Cost Cutters is right for your business.

Two of the Roneo Cost Cutters are right for your business.

What reprographic machine(s) is your company currently using? (Tick appropriate box)

☐ Stencil duplicator ☐ Offset duplicator ☐ Spirit duplicator ☐ Photo Paper Copier ☐ Other photocopier ☐ None

RONEO VICKERS

Head Office: Roneo Vickers Limited, 100, Garsick Road, Garsick, Gillingham, Kent, Gillingham, Kent, Gillingham, Kent. Tel: 01-586 4333.

FRIDAY, SEPTEMBER 10, 1976

Observer

Our industrial staff examine possible effects of the seamen's strike on shipping, industry, food and North Sea oil production.

A time-bomb under the economy

THE PROSPECT of a national and certainly before twelve weeks elapse. On the surface, this long lead time before the effects start to pile up would seem surprising, given that Britain is an island with the second largest merchant shipping fleet in the world, excluding Liberia. However, because British shipping is so truly international in its operations, the country has never depended wholly on its own merchant fleet, except in wartime. Last year, United Kingdom registered flag ships, most of which will be the target for strike action, carried only 31 per cent of all imports and 46 per cent of all exports, measured in terms of weight.

Many shippers are faced with considerable problems in making alternative arrangements for their cargoes, but Captain Brodie Hoare, director and secretary of the British Shippers' Council believes the difficulties are surmountable. Surveying the prospects yesterday he said: "There is a surplus of most categories of shipping at the moment and foreign flag operators will be offering their services. It is not too gloomy a picture."

This is cold comfort for those who will feel the effects of the strike almost immediately, shipping companies operating short sea services and their customers. Cross Channel Ferries run by European Ferries and British Rail will be halted from Saturday midnight, while several

hundred cargo ships operating in coastal and short sea trades will be stranded in Britain's various ports within four to five weeks.

Among shipping companies, it was the owners of these ships who suffered worst in the last seamen's strike of 1966. It will take weeks before the strike begins to pinch for the big liner companies—P and O, Furness Withy, Ocean Transport and Trading, Cunard, British and Commonwealth—although P and O is far from happy about the immediate effects of a stoppage on its ferries and passenger liners. Most of these companies are involved in trades which do not necessitate their vessels touching a British port. Ocean, for example, is a major trader between the American East Coast and the Far East and between West Africa and the U.S. The fleet map of one of these companies shows that out of more than 50 ships, only 12 are scheduled to be in U.K. waters over the next fortnight. Many of these cross trading services were unaffected by the 1966 strike because their seamen were prevented by law from taking action in non-British ports. The law has since been modified, but strike action out there could still be illegal. The distance from home waters of most of the U.K. fleet was well illustrated by the 1966 strike when after a 47-day stoppage, the number of vessels

actually bottled up in British ports was just under 900 out of a total U.K. registered fleet of 2,000.

This time, the number of ships which could fall victim to strike action is much less. Containerisation of vital trades to Australasia, the Far East and to the U.S. has been a big factor in reducing the number of U.K. registered ships to just over 1,300, as one container ship has made ten traditional cargo liners redundant. Moreover, the formation of multinational container consortia makes it easier for shippers to shelter from the effects of a strike.

There is no immediate danger of any widespread food shortages. Though half of Britain's food needs are imported, the feeling in the food industry yesterday was that there were enough supplies in the country to meet normal demand, as long as foreign ships are allowed to enter the ports. There were no dramatic shortages during the last seamen's strike and supplies of most processed foods are protected by both manufacturers' and retailers' buffer stocks. The retail trade generally carries around a month's supply of canned goods but some manufacturers and importers have reduced their stock holdings and fears that some shortages could result were expressed yesterday.

components could quickly be affected. There are strong cross-flows of parts between the U.K. and European plants of Ford, Chrysler and Vauxhall. A Ford official said they viewed the strike with "considerable gloom" and added that the effects could build up fairly quickly. Although the motor industry does carry adequate stocks, a slow-down in cargo movements would affect production both in this country and Germany, France and Holland. Equally, supplies of components from independent makers would be affected, and the supply of parts to assembly plants abroad.

Materials imports by British Leyland are very small but exports of both assembled and knock-down cars would be hit. There is no immediate danger of any widespread food shortages. Though half of Britain's food needs are imported, the feeling in the food industry yesterday was that there were enough supplies in the country to meet normal demand, as long as foreign ships are allowed to enter the ports. There were no dramatic shortages during the last seamen's strike and supplies of most processed foods are protected by both manufacturers' and retailers' buffer stocks. The retail trade generally carries around a month's supply of canned goods but some manufacturers and importers have reduced their stock holdings and fears that some shortages could result were expressed yesterday.



Mr. Jim Slater (centre), general secretary of the National Union of Seamen, talks to his union's delegates at the TUC Congress in Brighton yesterday.

Any shortages that do arise, last if different working methods will be felt first on perishable foods, like bananas and peaches, and yesterday some retailers were trying to switch their loads to foreign shipping lines. Most of Britain's vegetable needs at the moment, however, are home-produced, as the National Federation of Fruit and Potato Trades pointed out yesterday. A strike of a few weeks, the Federation said, "would be no cause for major concern."

Some brands of butter and cheese could become short in the event of a long strike, "but the overall supply position should be adequate, the United Provision Trade Federation said yesterday."

British Steel Corporation stocks of iron ore are at their normal levels and sufficient to cope with three to four weeks' demand. The corporation points out, however, that it would be possible to modify its methods of working to "stretch" the current "on the ground" supply line of iron ore to cover a longer period.

Certainly if the strike continued, this would be seriously Northern sector of the North Sea has Sea are producing oil equivalent to about 17 per cent of Britain's has started to find out just how long iron ore supplies might fields are due on stream later

Raw material stocks of all kinds are, in any case, comparatively high at the moment because the recovery in demand for steel has been much slower than expected. Stocks of finished steel are also higher than historical "normal" levels with around 17 weeks supply with the consumers, against the 12 to 13 weeks usually found in the past.

The BSC uses U.K. ships whenever it can for transporting its imported raw materials—and when exporting steel products—and is not particularly confident that contracts could be shifted to foreign lines at short notice.

The oil industry is particularly worried about the effects of a strike on its offshore oil activity: it uses supply boats as a life-line to producing platforms—essentially islands of permanent activity—and exploration rigs.

At present five oil fields in the North Sea are producing oil equivalent to about 17 per cent of Britain's has started to find out just how long iron ore supplies might fields are due on stream later

In both the chemical and textile industries no immediate supply problems are expected because stocks of most commodities are available and much of the raw material requirements of both industries are carried in foreign-owned vessels. Some concern is being expressed, however, over the impact of strike action on exports. The Wool Textile Delegation in Bradford representing manufacturers of wool textiles pointed out yesterday that many of its members despatched exports to the Continent in containerised form through roll-off ferries across the North Sea, and could be seriously affected by any stoppage of the British ferry lines.

Letters to the Editor

Tax and the innovator

Mr. C. H. M. Sinclair.

Sir—I was pleased to see Mr. Ford's letter (September 8) on the subject of the financing of innovative companies. Action desperately needed. I do feel that the proposed tax changes are sufficient and I am in full agreement with the DFI's view that the company form of business is the only one that can, in the long run, provide the necessary capital for innovation.

Anybody starting a company that is innovative in some respect is doomed to failure for by offering some advantage in cost or quality of service can new business hope to succeed. Any new successful company will benefit the community and I do not believe that anyone, even a government department, has found a way to accurately predict success.

We need changes in the tax system to make it possible again for individuals to invest in new businesses whether or not they are going to work for them. But any necessary change will be made if the business succeeds, a likelihood of failure is so great that the potential rewards are very high. Sales of shares in private companies are hard to arrange so there is little hope of capital gains and even on investment income the tax is too high. I think we need something like 100 per cent tax on investments by individuals in new companies and for dividends to be taxed at the full rates.

I believe that only a steady flow of new businesses can ensure a healthy economy and that it is only the lack of this that makes our current economic performance so depressing.

Mr. C. H. M. Sinclair, 100, Huntingdon Road, Ipswich, Suffolk.

held responsible for the Government's policies in relation to retirement pensions. It is unfair and divisive for anyone to seek to excuse the failure of the Government—either to pay pensioners the Christmas bonus or to use less than the promised uprating figures for the pension increase due this year or to refuse to uprate pensions on a six monthly basis—by levelling the blame on civil servants. The decision on pension issues—as on all other issues—is one for Government Ministers and the Cabinet alone, and it is a complete distortion to seek to lay the blame elsewhere.

My union has consistently stated, on behalf of its members in the departments concerned, that given adequate manpower we can pay the Christmas bonus to pensioners and we can uprate pensions and benefits on a six monthly basis. We would welcome these improvements and we give support to the Transport and General Workers' Union's motion demanding these changes. It is the Government's public expenditure cuts policy which prevents the necessary manpower being provided and the fault there lies directly with the Government.

Campbell Christie, 134/136, Southwark Street, S.E.1.

Paying for pensions

From Mr. P. A. Willis.

Sir—Mr. Rogaly's most interesting article on future population trends (September 7) only touches on one most vital point. We are going to reach a stage where a reduced number of people of working age have to produce enough wealth to support an increasing number of pensioners and consequent taxation rates may become insupportable. Yet every pressure now, from trade unions and others, is to retire people earlier, whether they wish it or not.

Surely the only sensible course is to encourage people to go on working longer, and a move to increase the retirement age of women to 65 years is an obvious line to pursue. If the miners, for instance, press for retirement at 55 years, they and the rest of the community must be made to produce the wealth to support the extra pensioners.

The fact that just at this moment there is a shortage of jobs for the young is a transient phenomenon, largely due to minimum wage scales, etc., which price the less well educated out of a job. But reduced retirement age and may in no long time result in a disastrous fall in our standard of living.

P. A. Willis, Epworth House, 25/35 City Road, E.C.1.

Eurocrats in Docklands

From the Leader of the Opposition, Greater London Council.

Sir—I found the estate agent Alistair Glickman's idea to site the "European Parliament in Docklands" an interesting suggestion (September 7).

But what facilities would there be for moving in the vast number of people every day for this organisation?

For instance, Heathrow, with the tremendous problems facing that airport, just could not cope

and where else could travellers arrive and depart conveniently? Sitting the European Parliament in Docklands is unfortunately only half the answer. It could be taken more seriously if the Docklands programme had progressed.

But the Labour GLC has been preening its plumage in a courtship dance before the Labour Government for funds and the Government just can't afford to play, or should I say pay. So the Docklands continue their derelict descent. Words will build nothing. Let the Labour GLC put their money where their mouth is—the money they've got stashed away to try to persuade the ratepayers to return them to power next May, which would be a further disaster for London.

Horace Cutler, The County Hall, S.E.1.

Passport to happiness

From Mr. Paul R. Grottrian.

Sir—The Civil Service has been getting a fair deal of stick recently, and not all that unfairly in my opinion. It is therefore a pleasure to inform you of one department that works like a dream, at least for this taxpayer. I refer to the Passport Office.

I found that my passport was so easy to get that I went and got it renewed. As this is a thing the ordinary person does only once in ten years, I found myself doing a good deal of head scratching. Finally I reckoned that I had assembled all the necessary, and on the morning of Wednesday September 1, posted all off to the Passport Office at Newport, Gwent, Comes.

Experiments on animals

From Mr. E. L. J. Small.

Sir—I should like to add to the excellent letter (September 3) from Robert Wilson concerning animal experiments. Not only were 54m. animal experiments carried out during 1975 but over 85 per cent of these were done without any anaesthetics at all. Countless thousands of them are performed to duplicate results already obtained by a rival commercial organisation in the so-called "testing" of its products, including pharmaceuticals, shampoos, detergents, foodstuffs, colouring matter and the like.

The Licensee has only to claim that the purpose of the experiment would be aborted if anaesthetics were used to obtain a waiver of this requirement from the Home Office to avoid unnecessary suffering during an experiment. The sole remaining qualification to help the animal being used is that once the object of the experiment has been achieved, the animal shall be painlessly destroyed if it would sustain undue suffering upon and during recovery. Death must come as a welcome relief for many such unfortunate creatures from the ministrations of so-called "science." Some researchers cut the vocal chords in dogs so that they are spared the sound of their screams of pain, but this obviously only adds to the pain and discomfort of the hapless animals.

The Home Office have stated in a letter that "where methods not involving animals have been developed, they are readily adopted as they are more precise, more speedy and more economical." We echo Robert Wilson's plea, why then, in God's name, do we not devote more money to pursue more actively the development of the humane

Dividend restrictions

From Mr. L. H. Ford.

Sir—The relative advantage that the public service pensioner now enjoys must surely arise as much from dividend restriction as from the 1971 Act. Before these restrictions retired people whose incomes were derived from dividends had been better able to keep up with inflation than civil service pensioners.

Many civil service pensioners, like myself, must have been recruited in the 1920s, when pay was linked to the cost of living index. Then, as the 1971 Act quite literally simply restores the status quo ante bellum. To me the injustice seems to be that successive Governments have made it almost impossible for retired people who were not public servants to maintain their position.

L. H. Ford, Flat 12, The White House, Meadow Green, Welwyn Garden City, Herts.

Investment expansion

Mr. A. C. B. Chancellor.

Sir—In Richard Evans's article in the NERC "Banking and Finance" statement he makes reference to the comment in the statement that the investment expansion Britain needs is too important to be left to businessmen financiers alone. This may be true but at least it might be of great benefit to many people to know the practical experience of those in banking and insurance who are the authors of this policy statement share between them.

C. B. Chancellor, 40, Gresham Street, E.C.2.

Civil servants and policy

From the Deputy General Secretary, Society of Civil and Public Servants.

Sir—In your report of the debate at the TUC on Tuesday, September 8, you told Jack Jones, General Secretary of the Transport and General Workers' Union, as being attacked senior civil servants for lacking a social conscience in persuading the Government to drop the Christmas bonus to pensioners.

On behalf of the Society of Civil and Public Servants, I read the charge that civil servants could in any way be

To-day's Events

GENERAL

Mr. James Callaghan, Prime Minister, arrives in Vancouver to begin eight-day visit to Canada.

EEC Monetary Committee meets, Copenhagen.

TUC annual conference ends, Brighton.

Dr. J. Dickson Mabon, Minister of State, Energy, begins visit to Venezuela.

Mr. Harold Walker, Minister of State, Employment, opens 15th Congress of International League of Travellers and Agents, Kensington Close Hotel, W.8. Guest speaker at Congress dinner is Sir James Prior, Opposition spokesman on employment.

Mr. J. D. Fraser, Minister of State, Prices and Consumer Protection, addresses national conference of Institute of Purchasing and Supply. Other speakers are Mr. Peter Walker, MP, a former Trade Secretary, and Mr. F. W. Hewitt, general manager, financial control division, National Westminster Bank.

Merseyside Chamber of Commerce trade mission begins four-week tour of New Zealand and Australia.

Sir Lindsay Ring, Lord Mayor of London, receives guests at reception for Commonwealth Speakers' Conference, Guildhall Crypt.

OFFICIAL STATISTICS

Building Societies' receipts and

reference of Institute of Purchasing and Supply. Other speakers are Mr. Peter Walker, MP, a former Trade Secretary, and Mr. F. W. Hewitt, general manager, financial control division, National Westminster Bank.

Merseyside Chamber of Commerce trade mission begins four-week tour of New Zealand and Australia.

Sir Lindsay Ring, Lord Mayor of London, receives guests at reception for Commonwealth Speakers' Conference, Guildhall Crypt.

OFFICIAL STATISTICS

Building Societies' receipts and

loans (August). Usable steel production (August).

COMPANY RESULT

Dickinson Robinson Group (half-year).

COMPANY MEETINGS

Avana Group, Cardiff 3. British Banzel Carbonising, Altrincham, Cheshire, 11. Dollar Land Holdings, Connaught Rooms, W.C.2, 11.30. General Electric Co. Institution of Electrical Engineers, Savoy Place, W.C.2, 12. Hampson Industries, Birmingham, 12. Hollas Group, Altrincham, Cheshire, 11. Incheape, 3-8, Bury Court, E.C.2.

12. Industries, Grosvenor House, W.12. Property Investment and Finance, 111, Park Lane, W.12.30. R.F.D. Group, Winchester House, E.C.2, 12. Trafford Carpets, Manchester, 12.45.

OPERA

English National Opera production of Tosca, Coliseum Theatre, W.C.2, 7.30 p.m.

BALLET

London Festival Ballet dance Noir et Blanc, L'Etoile, and Graduation Ball, Festival Hall, S.E.1, 7.30 p.m.

SPORT

Golf: Men's International, Muirfield, Equestrian: Burghley three-day event.

A name in International Banking and Business

TÜRKİYE
ÖĞRETMENLER BANKASI T.A.S.
TÖBANK

Short name: **TÖBANK**
P.O. Box 152, Ulus, Ankara, Turkey

Time deposits earn
1.75 %
above euromarket rates
fully convertible

TELEGRAMS: "TÖBANKUM, Ankara," for Head Office,
"TÖBANK," for all Branches and
"TÖBANKKAM," for Istanbul International Banking Department.

TELEX: 42 582 Ankara
22 739 Ist. Intl. Bnkg. Dept.
22 601 Istanbul
52 166 Izmir

COMPANY NEWS - COMMENT

Hepworth Ceramic £3m. growth halfway

REPORTING A £3m. advance in profits to £9m. for the first half of 1976 for Hepworth Ceramic Holdings, chairman Mr. John Booth thinks this reflects some success of the policy of working on a longer term basis in an endeavour to meet the fluctuations in the economy.

"And the company will do its best to continue on these lines in the future," he says.

He points out that in the last six months the company has continued to trade in difficult conditions which first became apparent in December 1975 and have persisted since.

Turnover in the six months rose from £28.94m. to £29.89m. and trading profit was ahead nearly £2.5m. at £9.49m. Earnings are shown at £4.33p (28.9p) and the interim dividend is lifted from 0.85p to 1p net per 25p share at a cost of £1m. (£839,000). In 1975, a total of 1,924,900 was paid from profits of £12.85m.

Turnover	1976	1975
£28.94m.	£29.89m.	£28.94m.
Trading profit	£9.49m.	£6.99m.
Interim dividend	£1.00m.	£0.85m.
Profit before tax	£8.49m.	£6.14m.
Taxation	£4.04m.	£3.17m.
Profit after tax	£4.45m.	£2.97m.
Dividend	£1.00m.	£0.85m.
Profit after dividend	£3.45m.	£2.12m.

comment
Hepworth Ceramic's ability to overcome the construction industry cycle never ceases to amaze. On the same day that the industry announced a 3.1 per cent. fall in output for the second quarter, Hepworth turned in pre-tax profits 30 per cent. ahead on a 14 per cent. sales growth. Since 1973 Hepworth's sales volume has fallen steadily with clayware, accounting for 40 per cent. of profits, hit by the building industry's downturn and refractories, 27 per cent. of profits, feeling the brunt of the steel industry recession worldwide. Hepworth's policy has been to cut back its labour force, down by 11 per cent. last year, put a large and unquantified part of its production capacity into motoballs and run the remainder flat out. Consequently margins have improved by a half in the second six months of 1975 and by a further 10 per cent. since then. However, the undeniable success of this policy must partly reflect Hepworth's position as a monopoly supplier in clayware. The scope for further profitable rationalisation remains unclear. But with a further sharp fall in interest charges, pre-tax profits of £10.19m. for the full year look attainable, which should provide some support for the shares which yield 7.1 per cent. at 42p.

LIGI rescue terms accepted

Policyholders in London Indemnity and General Insurance, the life company subsidiary of Jessel Securities, have overwhelmingly voted to accept the terms of rescue put forward by the consortium of insurance companies headed by Prudential Assurance.

Details of the voting issued yesterday by Mr. Ian Watt, the Special Manager, revealed that over 90 per cent. of policyholders in each of the nine classes into which contracts had been subdivided, accepted both by number and by policy value. Overall 99.42 per cent. of those policyholders who voted accepted the terms.

Mr. Watt stated that he had been reasonably confident that sufficient policyholders would endorse the scheme but the vote was well beyond his best expectations. He regarded the result as most gratifying, particularly as it was based on an unusually high poll—over 70 per cent. of the eligible voters were cast. This he said underlined the responsibility

Company	Page	Col.	Company	Page	Col.
Agar Cross	18	4	London Indemnity and General Insurance	18	1
Argus Press	19	3	Myson Group	20	3
Armstrong Equipment	20	3	Norton and Wright	19	3
Black and Edgington	18	7	Pentos	18	3
British Enkalon	18	6	Portals	21	4
Collins (William)	20	7	Raybeck	18	2
Dutton Forshaw	18	4	Reed and Malik	20	5
European Ferries	20	6	Rosedown	21	5
Fisher (James)	20	6	Rowan and Bowden	20	6
Gibbons Dudley	18	5	Summer (Francis)	20	7
Hepworth Ceramic	18	1	Wilson (Connolly)	18	7
Keyser Ullman	19	3	Wood Bastow	20	5
Land Investors	19	3	Youghal Carpets	20	4

attitude of policyholders towards the proposals.

Subject to the sanction of the High Court, the scheme is expected to become effective on or about October 23.

Raybeck ahead to £3.7m.

ON TURNOVER up from £41.6m. to £48.56m., profit of Raybeck was up from £3.3m. to a record £7.7m. for the 32 weeks ended April 24, 1976 before tax of £2.44m. (£1.94m.).

When reporting first half profits up from £1.5m. to £1.7m., peak results were forecast. Also predicted the final dividend is 1.38p net on increased capital for an unchanged 2.48p total, absorbing £732,000 (£248,000). Earnings per 100 share are up from 4.39p to 5.05p.

Mr. B. Raven, chairman, reports that sales to date are appreciably ahead of last year. The cash position has been strengthened from the sale and leaseback transaction in June and he is confident of continued growth.

The company manufactures clothing.

comment
The past year has been difficult for clothing retailers and manufacturers so there is no surprise that Raybeck's profits, growth in the first half to 8 per cent. in the second. However, it now looks as if demand could be on the upturn. The retail side (Raybeck split roughly 50-50 between garment and retailing) is beginning to move ahead and the London stores have taken an added boost from exceptional tourist spending, particularly in the Lord John Manservant shops. Meanwhile manufacturing is also improving, with an increasing order intake from the mail order houses, which account for about a third of the division's turnover. So £4m. pre-tax this year is probably a minimum target, while last June's sale and leaseback operation raising £2m. offers scope for expansion. The shares rose 19p yesterday for a yield of 10.7 per cent. and a p.e. of 8.4, which looks a reasonably attractive rating given Raybeck's record.

Bryant expands in Saudi Arabia

Bryant Holdings has formed a registered U.K. company to carry out operations in Saudi Arabia—Bryant International (Saudi Arabia).

Through this new company Bryant has recently entered into a joint venture agreement with a private Saudi contracting company, the principal of which is

Sheikh Abdul Aziz Al-Saleh. A new jointly owned company—Al-Anzab Bryant Construction Company has been registered in Riyadh with a capital of £m. Saudi Riyals (£800,000 approximately) with the object of carrying out the construction of both building and civil engineering work in Saudi Arabia.

The first contract to be awarded and now in progress, is the civil engineering work in connection with a dairy farm and process dairy complex, being built by H. J. Dwyer, of Alvey, Shropshire. Total value of the work is £2m. Saudi Riyals (about £250,000).

The second contract is situated at some 6,000 feet up in the mountains about 300 miles south east of Jeddah and the value is £8m. Saudi Riyals (£1m.).

It is probable the contract will involve the export of up to 25,000 worth of U.K. manufactured plant and equipment, in addition to a considerable value in materials for incorporation in the permanent works.

Advance forecast by Pentos

SIMILAR pre-tax profit of £1.07m., compared with £1.01m. is announced by Pentos for the first half of 1976 but Mr. T. A. Maher, chairman, forecasts a record year "by a reasonable margin".

In 1975 the figure was £2.25m. Mr. Maher states that present indications are that publishing and bookelling activities, whose main profits are earned in the second half, should again produce satisfactory results.

In manufacturing, incoming business, particularly from overseas markets, is now running at a level substantially higher than a year ago and this should begin to have a significant impact on sales and profits starting from the third quarter of the current year.

First half earnings per 100 share are down from 3.83p to 3.27p and the interim dividend is kept at 1.5p net—the directors propose to pay the maximum dividend of 1.5p net—last year's final was 1.83p.

At June 30, 1976 shareholders' funds stood at £8.77m., compared with £7.73m. at end-December 1975. Net borrowings, including convertible loan, amounted to £3.47m. (£3.5m.) or 27 per cent. of total funds employed.

Net current assets were £5.37m. (£5.1m.). Mr. Maher anticipates that net borrowings at year-end will be little changed and a further improvement in balance sheet ratios.

comment
The earnings per share of Pentos are down 17 per cent. against the first half of last year but this need not cause concern. In the

first place, shares were issued last year in consideration for the purchase of Marshall Morgan and Scott's publishing company, where the profits are concentrated in the second half. Secondly, the system building side was depressed by the low level of orders received at the end of 1975 whereas, following a major export drive (the costs of which were largely borne in the first half), orders for both building and engineering products are well up on the year. Thirdly, the reasons to expect the second half to produce an even higher proportion of the profits than the previous year. The shares fell 3p to 41p yesterday making for a prospective yield of 14.9 per cent. which appears to have good defensive qualities.

Upsurge at Dutton Forshaw

PRE-TAX profits of the Dutton-Forshaw Group for the six months ended April 24, 1976, were more than doubled from £2.55m. to £5.1m. after exceptional debits of £41,000 against £48,000.

Interim dividend is increased to 10p, from 23p share.

Earnings per share are 3.2p (1.4p).

The group operates as national distributors of motor vehicles and construction and agricultural equipment.

Profits of the motor division have continued at a good level in spite of supply difficulties, says the chairman, Mr. R. F. Hocking. Sales of used cars are also well up on last year, he says.

Demand for new and used Rolls-Royce and Bentley cars remains firm and the group's service, repair and parts facilities continue to make a useful contribution to profits.

The construction and agricultural equipment division has made a considerable contribution to group profits, says Mr. Hocking. Sales of new equipment, particularly in the agricultural section, were extremely good and sales increased by 76 per cent.

Profits for July and August continue to be satisfactory, he adds.

comment
Dutton-Forshaw's pre-tax profits are doubled at the interim stage reflecting the long-awaited recovery at British and Canadian investments, an expensive and ill-timed acquisition which has hampered the company's share price for the last three years. B and C now accounts for a third of Dutton's sales; and though construction machinery remains depressed, farm machinery has been doing extremely well. As main distributors of British Leyland, the Dutton-Forshaw division has suffered from the fall in the Leyland share price, although new car registrations are up. However, the Rolls-Royce franchise and used car sales have been buoyant and pre-tax profits for the first half are up 76 per cent. in the 1975 peak of £1.8m., though the group's turnover has doubled in the meantime. The shares, which closed unchanged at 25 1/2p, yield 10 per cent.

Agar Cross well ahead at £413,129

A sharp rise in pre-tax profit from £117,001 to £413,129 is announced by Agar Cross and Company for the year ended March 31, 1976, after £206,200 (£13,900) in the first six months.

Earnings per £1 share for the year are 12.5p, against 2.75p for the first half.

The absence of any dividend from the principal trading subsidiary, the directors are unable to recommend payment of dividends.

With the audited accounts now available, the company's advisers are in negotiation with the advisers of Newnam Industries regarding the terms of the proposed offer by Newnam for Agar Cross which it does not already own. A further announcement relating to this offer is expected to be made shortly.

Mr. Alan Battlett, chairman, states that the growth in sales since 1974 represents the continued manufacturing specialization by the group to overcome the considerable obstacles in expanding new markets in developing countries. This is further reflected in the turnover achieved since the £41m. pre-tax loss reported for 1973-74.

Progress in Nigeria was not sustained during the second half due to temporary trading, economic and political uncertainties in that country.

Turnover	1976	1975
£117,001	£413,129	£117,001
Profit before tax	£413,129	£117,001
Taxation	£117,001	£117,001
Profit after tax	£296,128	£0
Dividend	£12.5p	£2.75p

HARLAND AND WOLFE

The auditors to Harland and Wolfe, the shipbuilders, have again qualified the accounts for losses in completion on long term contracts.

Because of uncertainties, they are unable to confirm that the provision of £48m. is sufficient.

Turnover	1976	1975
£117,001	£413,129	£117,001
Profit before tax	£413,129	£117,001
Taxation	£117,001	£117,001
Profit after tax	£296,128	£0
Dividend	£12.5p	£2.75p

THE PHILIPPINE INVESTMENT COMPANY S.A.

Net Asset Value as of August 31st, 1976
U.S. \$10.01

Under the terms of the agreement, the company is to be liquidated and the assets sold.

Under the terms of the agreement, the company is to be liquidated and the assets sold.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Anglo American Inv. Int.	150(a)	Nov. 4	95	1.00	3.03
Armstrong Equipment	1.15	Dec. 6	2.75	1.88	5.63
Black and Edgington Int.	1.5	Oct. 29	1.5	1.5	5.31
Breedon & Cloud Hill Int.	0.29	—	0.25	0.29	0.25
Cableform Group	1.06	—	0.97	1.83	1.65
Canlon	1.22	Oct. 8	1.4	1.4	3.78
Wm. Collins	0.99	Nov. 9	0.9	0.9	1.8
Croydex	0.75	Jan. 4	0.5	0.5	1.75
Dutton-Forshaw Int.	0.86	Jan. 4	0.5	0.5	1.21
European Ferries	1.35	Oct. 29	1.18	1.18	2.48
F. S. Geddis	80(a)	Oct. 26	160	200	330
General Investors Int.	1.4(c)	Oct. 29	1.52	1.52	2.8
Gibbons Dudley	0.88	Nov. 9	0.81	0.81	3.05
Hepworth Ceramic Int.	1.0	Nov. 19	0.85	0.85	1.83
Joseph Holt	0.65	Oct. 1	0.49	0.49	1.77
Land Investors	1.4	Oct. 30	1.26	1.8	1.61
Malayan Tm	1.65	Oct. 20	0.59	0.65	0.59
Alston Int.	1.5	—	1.5	1.5	3.78
Peatos	1.3	Oct. 11	1.3	1.3	3.49
Portals	1.3	Jan. 5	1.47	1.47	3.34
Pres. Brand	85(a)	Oct. 26	125	170	2.53
Pres. Ryan	1.68	Oct. 26	85	43	125
Raybeck	1.68	Oct. 30	1.66	2.49	2.49
Reed & Malik	0.81	—	0.81	0.81	1.07
Rosedown Trust Int.	1.8	Nov. 1	1.82	1.82	0.7
Rowan & Bowden	1.3	Nov. 25	—	—	475
Frans Summer (Bridges) Int.	0.5	Nov. 1	0.35	0.35	1.04
W. Holdings	123(a)	Oct. 26	250	310	3.46
Wellton	2.3(a)	Oct. 26	25	15	2.03
Wilson (Connolly)	1.22	Oct. 29	1	1	1.04
Winston Estates	0.41	Nov. 1	0.41	0.41	1.04
Wood Bastow	2.8	Oct. 27	2.46	3.8	3.46
Youghal Carpets	3.13	Oct. 15	3.75(b)	3.75(b)	3.75(b)

Dividends shown pence per share net except where otherwise stated.
(a) Equivalent after allowing for scrip issue. (b) On capital increased by rights and/or acquisition issues. (c) South African context.
(b) Gross. (c) Because of merger with City and Greenchurch Investment Trust, half-year results not expected until early October.

Gibbons Dudley upturn

PROFITS before tax of Gibbons Dudley rose from £1.48m. to £1.72m. in the first six months to June 1976, and the directors say similar profits should be achieved in the second half. The cash position remains satisfactory, they add.

The interim dividend is a maximum permitted 0.89375p compared with 0.5125p—absorbing £113,272 (£104,738)—the previous total was 3,045p from pre-tax profits of £2.55m.

Results of the refractories division show some recovery from the second half of 1975 and this trend should continue, the directors say.

comment
The three main divisions of Gibbons Dudley are all in very different states of health. The engineering division is unwell because of delays (notably on the contract at Redcar for BSC) and a shortage of fresh orders. Meanwhile the refractories division is recovering; its profits are down on last year but well up on the disastrous second half. Building products are undoubtedly the strength of the group, showing a pre-tax growth of 76 per cent. Local demand (the North East) has been more buoyant than elsewhere thanks to the demand for top quality bricks. However, this division cannot carry the whole company and the other two divisions are largely dependent on renewed capital spending in the steel industry. The shares, at 57 1/2p, yield a prospective 9.1 per cent.

Turnover	1976	1975
£1.48m.	£1.72m.	£1.48m.
Profit before tax	£1.72m.	£1.48m.
Taxation	£1.72m.	£1.48m.
Profit after tax	£0	£0
Dividend	0.89375p	0.5125p

NCI changes Beyer Board

National Chemical Industries has rapidly fulfilled its promise of management changes at Beyer around £1m. and that probably means that the group will once again be able to pay a nominal after-consultation Board opposition dividend. But the market values by drafting in two directors of the shares at 12p on an 80 per cent. discount to assets, and the chairman Mr. Cecil Redford and the cautious attitude is bound to con-

Turnover	1976	1975
£59,741,943	£36,120,317	£36,120,317
Trading Profit	£13,284,116	£2,536,415
Interest Paid (net)	167,579	769,804
Loan Interest	£13,116,537	£1,766,611
Profit before tax and extraordinary items	£13,048,483	£1,766,611
Taxation	5,486,042	420,059
Profit after tax and extraordinary items	£7,562,441	£1,346,552
Unappropriated profits brought forward	£8,782,893	£1,805,285
Interim Dividend Absorbs	£17,033,011	£30,210,228
	£45,805,904	£32,015,513
	£461,746	£419,744

PROSPECTS

Demand for the products in the Sound Reproduction Division continues at a satisfactory level from all major markets throughout the world. The current order book for the Consumer Products Division shows a marked improvement over the first six months and it is anticipated that this Division will trade more profitably in the current period.

The Directors have declared an interim dividend of 6.22% (1975 5.65%) on the ordinary share capital which, together with a tax credit of 2.35% (1975 3.05%) per share to which U.K. shareholders are entitled, will be equivalent to a gross dividend of 9.57% (1975 8.70%).

Turnover	1976	1975
£59,741,943	£36,120,317	£36,120,317
Trading Profit	£13,284,116	£2,536,415
Interest Paid (net)	167,579	769,804
Loan Interest	£13,116,537	£1,766,611
Profit before tax and extraordinary items	£13,048,483	£1,766,611
Taxation	5,486,042	420,059
Profit after tax and extraordinary items	£7,562,441	£1,346,552
Unappropriated profits brought forward	£8,782,893	£1,805,285
Interim Dividend Absorbs	£17,033,011	£30,210,228
	£45,805,904	£32,015,513
	£461,746	£419,744

BSR LIMITED

Interim Report

The unaudited results for the Group for the six months to 26th June, 1976, together with the comparative figures for the first half of 1975 are as follows:

Turnover	1976	1975
£59,741,943	£36,120,317	£36,120,317
Trading Profit	£13,284,116	£2,536,415
Interest Paid (net)	167,579	769,804
Loan Interest	£13,116,537	£1,766,611
Profit before tax and extraordinary items	£13,048,483	£1,766,611
Taxation	5,486,042	420,059
Profit after tax and extraordinary items	£7,562,441	£1,346,552
Unappropriated profits brought forward	£8,782,893	£1,805,285
Interim Dividend Absorbs	£17,033,011	£30,210,228
	£45,805,904	£32,015,513
	£461,746	£419,744

ISSUE NEWS AND COMMENT

Black and Edgington £1.6m. rights

Black and Edgington are preparing to raise £1.6m. by a one-for-four rights issue and increase the dividend by 42.2 per cent. Interim figures are also promised to leave the last couple of years well behind. The company is meeting increased demand particularly for marquee tents from government and industrial customers overseas and overall exports are expected to be some three times higher than last year's £2m. level. The order book is also higher for industrial protective clothing in the U.K. although demand here has been hampered in the aftermath of industrial economies in 1975 and thus could steady down. However, the group's determined pursuit of growth also by acquisition is justification enough for a rights issue with easy terms including a 25p discount to yesterday's share price of 144p where the prospective ex-rights yield is 6.1 per cent.

comment
The issue has been underwritten by Noble Gossart. An extraordinary meeting is called for September 24, to consider an increase in the authorised capital.

EASTBOURNE—61% WITH UNDERWRITERS

The offer for sale by tender of £21m. of 9 per cent. Redeemable Preference Stock 1983 in Eastbourne Waterworks Company closed yesterday undersubscribed. Underwriters will be taking up 61% of the issue.

comment
After its 32 per cent. pre-tax interim rise, helped by a good Seymour Pierce and Co.

Brent Walker repaying £1.4m. of 'surplus funds'

Brent Walker, the leisure group headed by Mr. George Walker, is to repay its shareholders £1m. of capital—or 25p cash per stock unit—on the grounds that the funds are surplus to the group's requirements.

The repayments, which arise from the disposal of Brent Walker's stake in Brent Cross (Hendon). Development Company for £3.7m. cash, is being framed as a partial repayment of the share premium account, which is currently credited with £1.9m. This device means that 97 per cent. of each shareholder's repayment will not be treated as a distribution for income tax purposes. Instead it will constitute a partial disposal of capital and be liable for capital gains tax.

The repayment requires the approval by special resolution of the shareholders. An extraordinary meeting is being held for that purpose on October 8—and the consent of the High Court.

comment
The loss per 25p share for the first half was 1p, against 4p. The company produces man-made fibres and is controlled by also of Holland.

Wilson Connolly ahead 25%

FIRST HALF 1976 pre-tax profit of Wilson Connolly (Comely) Holdings increased by 25 per cent. to £803,000—for 1976 the figure was £1,427,000.

At the annual meeting in May Mr. A. Leaver, chairman, reported a fair chance of holding this year's profits at last year's level. Now, he says that with the prospect of another record year, this forecast "can be significantly improved."

First half earnings are 7.9p (6p) and the interim dividend is lifted from 1p to 1.117p—total for 1975 was 2.05p.

comment
The loss reduction that resolutions have been passed enabling the merger of the company's tableware interests with the Carborundum tableware bid to remove Mr. Willis.

ROYAL WORCESTER

Royal Worcester announces that resolutions have been passed enabling the merger of the company's tableware interests with the Carborundum tableware bid to remove Mr. Willis.



Industry's £250 million piggybank

In this week's Investors Chronicle we analyse GEC and

Youghal

Carpets (Holdings) Limited
INTERIM STATEMENT 1976

The Board has declared an interim dividend of 12.5% net on the issued ordinary share capital, as enlarged by the recent rights issue, for the year ending 31st December 1976 payable on 15th October 1976. Due to the provisions of the Corporation Tax Act the method of paying dividends has been altered and is declared net. Shareholders will qualify for a tax credit calculated at the rate of 20.48% on the net dividend. The equivalent gross dividend is 15.06%, compared with 15% last year.

Unaudited trading results for the first half-year were as follows:

	1st Half 1976	1st Half 1975	Increase/Decrease
		(Note 1)	
Group turnover	5000	5000	%
	25,439	17,436	45.9
Profit before tax	1,042	551	89.1
Estimated tax	186	146	13.7
Profit after estimated tax	876	405	116.3
Exceptional tax credit	—	504	—
Available for Group shareholders	876	909	(3.6)
Preference dividend (Net)	17	17	—
Interim Ordinary dividend (Net)	522	416	23.5
	539	433	24.5
Profit retained	337	476	(29.2)

NOTES:

1. The comparative results for the first half of 1975 have been restated to include the loss of KVT for two months of £7,000 and the interest (gross) of £59,000 arising on the acquisition of KVT.

2. Arising from the recent rights issue and the implementation of a new standard accounting practice in relation to the valuation of stocks, the reserves of the Group have been increased by £1,125,000.

In my statement accompanying the Annual Report and Accounts for the year 1975, when dealing with future prospects, I commented that the task of predicting the future was always a difficult one, but in present conditions of world trade in general and trade in Ireland and England in particular, this problem is increased. In considering the results for the first half of 1976, and the fact that there was no substantial change in the conditions of trade for our industry and the difficulties of 1975 continued into 1976. The cost of our chief raw material, wool, increased substantially during the period and it was not easy to recover in full this increase in the finished product because of the static state of the home market. Exports however moved forward, particularly in the United States of America, and Group turnover increased by 45.9% over the same period last year. While it is true to say that inflation accounted for some of this increase in sales value, there was a real increase in the quantity of goods sold and manufactured in the company's plants, including KVT. Plans have been made for greater volume of sales on the Continent of Europe and our subsidiary company, KVT, has made progress.

It is satisfactory to record that a higher rate of profitability has been achieved on the turnover, although this increase has been relatively small, and it is a good signal for the future that increased margins can be earned on a larger sales volume.

It is quite impossible to predict with any accuracy what the results for the full year may be, but the half-year's results encourage some optimism in this respect.

BRIAN L. J. O'BRIEN, Chairman.

Keyser settles with Mr. Shine

Keyser Ullmann has reached an out of court settlement for £105,000 with Mr. Barnett Shine, who yesterday did not seek re-election as a director of the merchant bank, in connection with a writ taken out by Mr. Shine, later withdrawn, relating to Keyser's acquisition of Central & District Properties, in which Mr. Shine was a substantial shareholder.

The agreement, described by Mr. Derek Wilde, chairman of Keyser Ullmann at yesterday's annual meeting, involves the payment of £105,000 a year for seven years to charities amenable to both Keyser and Mr. Shine.

Mr. Wilde said yesterday that Keyser Ullmann and Mr. Shine remain convinced of the soundness of their respective cases but in view of the uncertainties that protracted legal proceedings would have involved and their consequent effect on the company's revival it was agreed to drop the matter in the interests of the company.

In the meeting, Mr. Wilde told shareholders that there would be a "smallish overall loss" at the half year stage, as losses at the property side were somewhat reduced. "We are not dissatisfied with total net profit," he said.

Having described the progress made by the group over the past financial year, Mr. Wilde remarked that "it would be stupid to think that our problems are over but we have identified them and are dealing with them." There was no doubt, he added, that Keyser had a viable future.

On the property side, Mr. Wilde said that about £15m. worth of property had been sold since March 1976 at a surplus of £1m. over book value and it was hoped to maintain sales at some £35m. a year.

Of the £14m. standby facility provided by the clearers when Keyser left the "lifeline" support group, Mr. Wilde said that some £12m. had been taken up but on the other hand £15m. had been lent out by the group on the inter-bank market.

As to the speculation concerning a bid for the bank, Mr. Wilde said that the group would not welcome a takeover from another merchant bank or a clearing bank but that participation by an overseas banking group, which had no merchant banking interests, "might have attractions".

The following are extracts from statements by the chairman at other annual meetings yesterday.

£0.5m. rise for Land Investors

FOR THE year ended March 24, 1976 Land Investors has produced a substantial advance in profit—from £0.92m. to £1.43m. At half-way the increase was £98,000.

The final dividend is 1.4p for a net total of 1.8p, compared with 1.6p last time. After tax £790,106 (£313,278), the net profit came out at £476,828 (£412,364).

The group owns or develops principally office and commercial buildings in and around London. A professional valuation of its investment properties on March 24 has thrown up a substantial surplus over book value, and this will be reflected in the accounts.

Norton & Wright sales expansion

Turnover for the first four months of the current year at Norton and Wright Group, shows an increase of over 12 per cent., reports chairman Mr. D. S. Rocklin.

Plans have been submitted for an extension at the Littlemore Road, Pudsey, site, leading to an extra 7,500 square feet and a further 6,000 square feet of production area will become available at the Kirkstall Road site.

The group has entered into a joint venture arrangement whereby a wholly-owned subsidiary it will own 50 per cent. of two newly formed companies in Holland.

As reported on August 4, pre-tax profit for the year to March 31, 1976, improved from £353,112 to £504,419.

Despite substantial wage increases, through improved production techniques and the careful control of all operation costs, profit margins were maintained at the level of the previous year, the chairman points out.

The Belgian subsidiary commenced trading in November 1975, and suffered a small trading loss, the directors are confident that this company will prove to be a beneficial member of the group.

All other subsidiary companies have continued to show an increase in their turnover and each contributed satisfactorily to profitability.

Meeting, Leeds on September 30 at noon.

First half upsurge at Argus Press

Profits before tax of Argus Press Holdings for the first half of 1976 increased sharply from £185,800 to £449,500, and have exceeded the £436,277 achieved for 1975. First-half turnover improved from £4,97m. to £4,98m.

Earnings per share rose from 1.73p to 5.8p and the interim dividend is 2.25p against 1.125p last year. The company is a member of the BET Group.

First-half profit is struck before tax of £247,000 (£24,500) and minorities of £2,000 (£3,100).

Profits of the subsidiary, Argus Press improved from £178,700 to £451,700 before tax of £247,000 (£24,500) and minorities £2,400 (£2,500).

Earnings per share were up from 4.07p to 10.81p and the interim dividend is 2.25p against 1.125p.

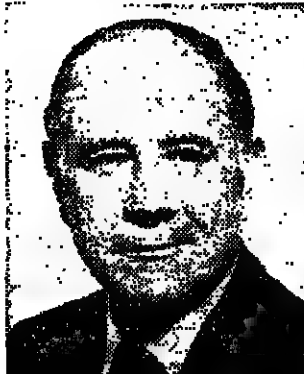


AURORA HOLDINGS LIMITED

SECOND INTERIM REPORT for the 12 months to 30th JUNE 1976

SUMMARY OF RESULTS

	12 mths. to 30.6.1976	*12 mths. to 30.6.1975	12 mths. to 30.6.1975
	£'000	£'000	£'000
External Turnover	16,617	13,505	15,456
Trading profit before interest	1,687	1,574	1,721
Profit before Tax	1,457	1,309	1,385
Profit after Tax	699	643	669
Earnings attributable to Ordinary Shareholders	572	483	509
Earnings per Share	**11.99p	13.31p	13.95p



Robert Atkinson, Chairman

● Group Turnover and Profits increased for the fourth year running and represent an all time record.

The fact that we were able to achieve record profits during a very difficult period for engineering companies in general reflects well on the strengths and progress of the company. The benefits of carefully planned diversifications were once again demonstrated in this stability of our performance.

● Sales increased by 23% and pretax profits by 11%, over last year as adjusted for disposals. Earnings increased by 18%.

● East Sussex Engineering Group Limited became a subsidiary on 30th March 1976 and post acquisition profits of £219,000 have been included.

● The integration of E.S.E. Limited, into the Aurora Group has been accomplished successfully and according to plan.

● The financial year end has been changed to 31st December to coincide with E.S.E. Ltd.

● A second interim dividend of 3.4 p per ordinary share has been declared payable on 30th November 1976 to shareholders on the register on 29th October 1976.

● With the first interim dividend paid of 0.875p per share on 21st May 1976 interim dividends have now been declared of 4.275p per ordinary share

● The final ordinary dividend for the 18 months ending 31.12.76 will be declared in May, 1977.

* Restates the 12 months to 30th June 1975 on the same basis as the 12 months 30th June 1976 (i.e. excluding William Watts Steel Stockholding and Pashley & Trickett Ltd., and adjusting for interest on the money received).

** On capital as adjusted for the rights issue in May 1975.

How often do you see a picture like this?

For the ninth successive year, AAH has grown.

Turnover is up 6% to £186 million.
Profits increased 15% to £4.8 million.

And, as a measure of efficiency, earnings on assets are a new record at 38.7%.

Why? Because AAH has progressively applied its expertise to develop a broad based distribution and services company.

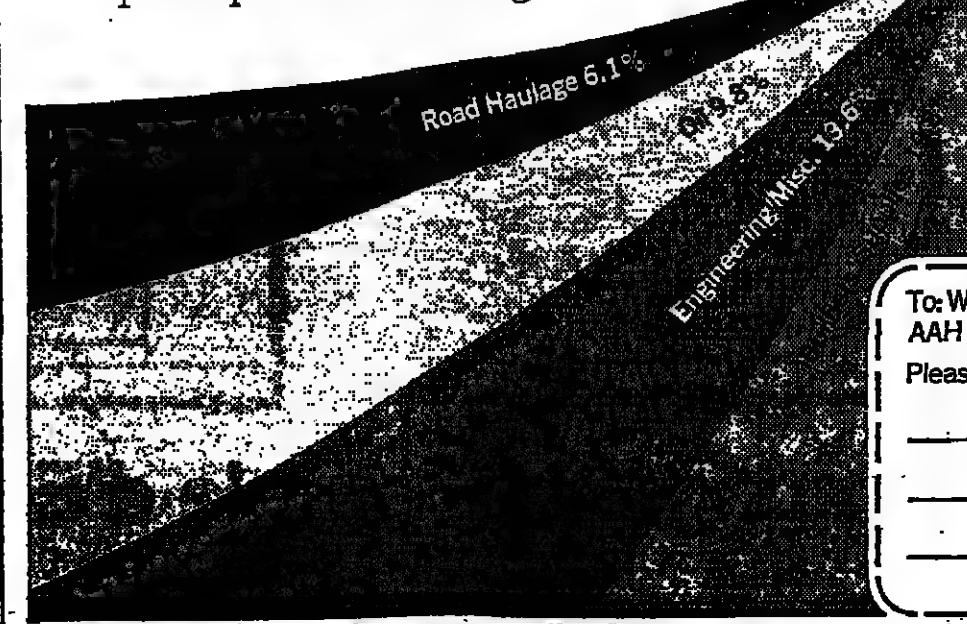
We've achieved this by the growth of existing business and by thoughtful acquisitions. Like our most recent acquisition, Chemists Holdings, which is already making an important contribution to our Group.

For our shareholders, this has meant a dividend forecast to increase 20% this year — which is more than three times the rate paid for 1969.

Furthermore, we have the team to continue to give the same good account of itself.

To understand in detail just what we have achieved and are planning for the future, why not read our latest Annual Report and Accounts.

It paints a picture worth looking at.



To: W. M. Pybus, Chairman,
AAH Limited, 21/24 Bury Street, St. James's, London SW1Y 6AP
Please send me a copy of the 1976 Annual Report.

AAH Limited

GRAHAM WOOD STEEL GROUP

In his circulated statement for the year ended 31st March 1976, the Chairman, Mr. David Graham Wood reports:

- Group Turnover £5.6 million and profits before taxation £225,000, reductions against the previous year of 12% and 44% respectively.
- Maximum permitted dividend proposed.
- Working capital facilities adequate to meet projected trading levels.
- 45% of constructional engineering production exported either directly or indirectly.
- Steel stockholding market returning to normal after worst recession since before the last war.
- Current and subsequent year can be viewed with cautious optimism.

THE GRAHAM WOOD STEEL GROUP LIMITED

Copies of the Report and Accounts may be obtained from the Secretary, The Graham Wood Steel Group Limited, PO Box 250, Green Lane, Hounslow TW4 6BB.

Croydex

INTERIM STATEMENT

For the Half Year to 30th June, 1976

I am pleased to be able once again to report excellent half year profits resulting from substantial growth over the rather more difficult corresponding period of last year.

The second half year has begun well and the Board is confident that further progress will be made and the results for the full year will be satisfactory.

The Directors have declared an Interim Dividend of 0.909p per ordinary share against the equivalent of 0.9009p last year, allowing for the capitalisation issue in May 1976. The dividend will be paid on the 9th November 1976 to members on the register on the 8th October 1976.

UNAUDITED HALF YEAR'S RESULTS

	30th June 1976	30th June 1975
Turnover	3,274,595	2,260,674
Profit before Taxation	444,790	301,582
Less Corporation Tax	221,000	157,000
Profit after Taxation	213,790	144,582
Interim Dividend	32,192	29,265
Equivalent Gross Dividend	49,526	45,023

G. A. HAMMOND, Chairman.

THE CROYDEX COMPANY LIMITED

Walworth Industrial Estate, Andover, Hants.

CONTINUED INCREASE IN PRE-TAX PROFIT

MR. R. W. DIGGENS FORESEES MAINTAINED PROGRESS

In respect of these I anticipate an increase in our rent roll of £1.5 million during the next

Edited by Derya Sutton

**The world's leading magazine of
Arts and Antiques**

Published Monthly price £1.50 Annual Subscription £18.00 (Inland)
Overseas Subscription £20.00 USA & Canada Air Assisted \$48
Apollo Magazine, Bracken House, 10, Cannon Street, London,
EC4P 4BY. Tel: 01-248 8000

figure will be rising fast so outside estimates are already in the region of £8m. pre-tax.

Announcing an increase

Sales expanded by £3.75m. to £17.58m.—including £4.28m. overseas—but the directors add that the increased cost of labour and materials, coupled with the de-

Abstract of foundation grant

resumes dividend

Group turnover was stated at £1.1m. (£6.15m.) but profits were £36,989 to £104,444. Chairman Mr. J. M. Kretschmer said the company has overcome "grave difficulties" of the

charge on profit for 1976. See Lcx

TAXABLE PROFIT of

He adds, however, that the manufacturing division is still facing its problems.

Sales at William Collins —

Interest rec.	Interest paid	Share assoc.	Profit before	Taxation	Net profit	Extraord. debit	Dividend
416	416	215	1,843	876	963	103	500

and profit

The directors state that settled conditions and continuing inflationary costs in the second half may affect hopes that annual accounts will at least

DATA COLLECTION

Group turnover was static at £1.1m. (£0.15m.) but profits rose from £36,989 to £104,444. Chairman Mr. J. M. Kretschmer says the company has overcome the

1000

	1994	1995
Turnover	3,702	3,702
Interest	112	112
Pre-tax profit	112	112
Tax	28	28
Net profit	84	84

Looking to the second

Martin Black, the Scottish

It also intends, subsequently, to bid for the rest of the Glaxo group and seems to have won support of the Glaxo family.

100

[illegible]

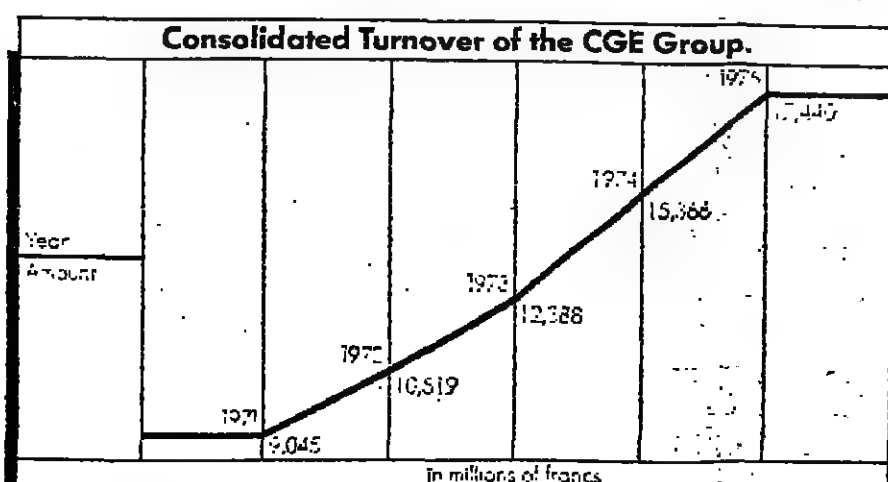
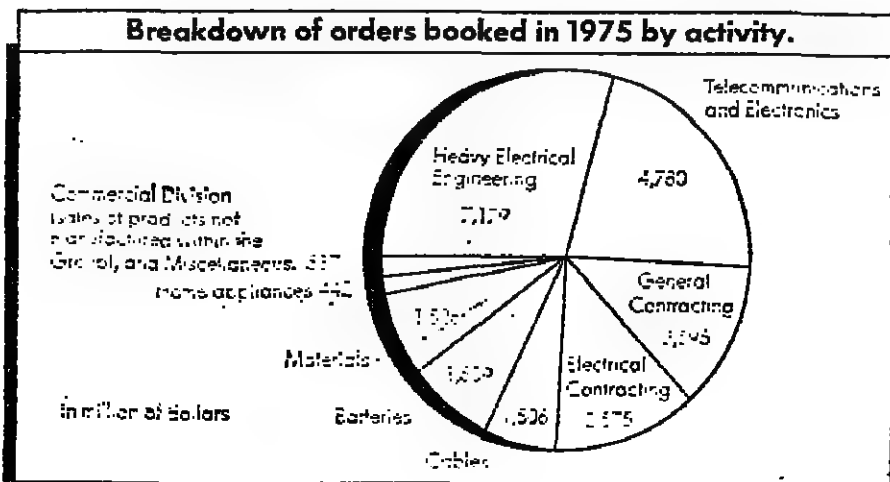
The CGE Group employs 131,000 persons. It is set up as a holding company. Its specialized subsidiaries are responsible for the production and services sold. No products from the Group are labelled CGE, but all bear the

The Group's sales are promoted abroad through a marketing network organized by CGE Internationale, with many of the firms now under the trading name of Fulmen. As a whole, CGE is represented in over 70 countries, including 40 indus-

Dividend income of the parent Company has regularly increased over the last five years, while consolidated capital expenditure of the Group doubled.

	1971	1972	1973	1974	1975
Dividend income from Subsidiaries, million francs	69.4	71.2	83.7	94.2	100.8
Consolidated Capital Expenditure, million francs	471	495	558	813	925
Consolidated Net Profit million francs	189	214	178	161	141
Dividend paid to CGE shareholders, per share, in francs	14.50	16.00	16.00	17.30	17.30

* Merger pending with Chantiers de l'Atlantique, France's leading ship-building company; shareholders to vote on September 30.



54, rue La Boétie, 75382 Paris. Cedex 08



TUC BRIGHTON '76

All in the mind

BY ALAN PIKE, LABOUR STAFF

GIBRALTAR, Hong Kong, New Zealand, South Africa—they read like spots on the map around which the Red Ensign is less likely to flutter for a little while to come.

In fact, they were among the distant places receiving attention during the review of international affairs at yesterday's Congress.

On the platform, alongside his fellow members of the international committee, sat the figure who has brought the trade union movement face to face with the unthinkable. Mr. Jim Slater, the seamen's leader, is, according to preference of metaphor, rocking the boat, sailing into a storm or about to get stuck in the mud.

Mr. Slater missed the self-congratulatory session during which Congress gave overwhelming support to the social contract because he and his executive were busy declaring a national strike.

But this Congress is a tactful body. Although the proposed seamen's strike was the main topic of discussion in the tea rooms and bars yesterday and led to much behind-the-scenes activity with anxious members of the General Council summoning the entire National Union of Seamen executive to Brighton, no one was so

indelicate as to actually mention the awful business in the hall.

It may not have been far from some minds. Mr. Joe Gormley, the miners' president, whose own members have had their moments of causing difficulties for governments and General Councils, murmured cryptically: "We have been very quiet at this conference." He was speaking in a debate on energy policy.

Perhaps he meant nothing by it. The National Union of Seamen had been very quiet inside the conference hall as well. Congress therefore worked its way through its last full day as though nothing mattered nearly so much as the working hours of public-house staffs and the steam-generating heavy-water reactor.

The most obvious beneficiaries of the situation caused by the seamen's strike declaration were some of the far Left demonstrators who have been protesting outside the conference hall for most of the week.

Invigorated by the opportunity which a new issue brought for a new slogan, delegates were yesterday greeted by cries of "Support the seamen's strike" mingling inconspicuously with "Fight for the right to work" from other sections of the crowd.

Howell explains plans to help drought areas

BY IAN HARGREAVES, LABOUR STAFF

NEW PLANS for pumping water already been successfully transferred between West and East Glamorgan, using the Rivers Wye and Usk.

This kind of project would be vital in supplying industry such as the British Steel Corporation's Ebbw Vale tinplate works.

Rivers

Mr. Howell said the Government was dealing with the water problem in three phases. The first phase was to deal with the immediate crisis, the second to attend to the 1977 supply situation, and the third would explore new resources and methods of extraction which would be of value in the long term.

Mr. Howell said his department had already been presented with 148 drought orders, and that many of these had involved making new boreholes. The Government was also considering methods of reducing the rate of flow of rivers into the sea.

In South Wales, water had

In the worst-hit areas, temporary pumping and piping arrangements had been supplemented with emergency supplies by tankers.

The first phase of measures would keep industry moving until at least the end of the year. The Government was acting on the assumption that there would be no more than average winter rainfall: 18 inches in England and 30 inches in Wales.

"It would be totally irresponsible for the Government to plan now on anything other than the worst assumption about the sort of weather we are going to have this year. The Government is not prepared to gamble with the lives of millions of people," he said.

Savings

Mr. Howell told Congress that the TUC's drought slogan "Save water, save jobs" was the most realistic statement of the year.

At present, savings of 30 to 25 per cent. were being achieved, but this must be increased to 50 per cent. especially in the worst-affected areas.

Lord Allen, replying for the General Council, appealed to all trade unionists to cut their personal consumption of water by half, to stamp out waste at work, and, where stand-pipes were in use, to organise help for the old and physically disabled.

Mr. Reg Bottini, general secretary of the National Union of Agricultural and Allied Workers, proposed a motion calling for "an overall policy for water conservation and procurement, requiring initially a comprehensive study of water demand." This was passed unanimously.

EEC must tell us more, says Jones

BY ALAN PIKE

COMMON MARKET institutions are "long on consultation and short on accountability," Mr. Jack Jones, general secretary of the Transport Union, said during a debate on international affairs.

Too much time, he said, was spent in trivial detail with duplication of discussion.

"We expect more accountability. We expect the Commission and the Government to tell us what they intend to do, to listen to us."

These matters, Mr. Jones told delegates, had been considered by the TUC and would be raised with the Government.

One issue—unemployment—had dominated the TUC's activities in the EEC during the year, he said. "There are 5m. people to get back to work. We have pursued this issue, as you would expect, in every meeting, every conference, every contact with Commissioners and Ministers."

We, the TUC, have insisted that this is the big issue on every agenda.

The unions had made it clear that they would not stand by and watch industries destroyed in the name of competition. It was also not acceptable for the Commission to be used as a dumping ground for cars, electronic equipment and a host of other things made elsewhere.

It had been possible, said Mr. Jones, to approach common lines of policy on many issues within the European TUC, but it would not claim too much in the direction, but I will claim the trade union voice heard more strongly than before."

Mr. Jones, who was one of the leading critics of Britain's entry to the EEC, said it still had to be shown "even on balance that British membership was helpful to the TUC in pursuing industrial and related issues."

"There is a tendency in the market to put the social aspect of the human aspects of all the matters on one side—to say it can be dealt with but only in the light of major objectives such as the development of competition, the harmonisation of the conditions of competition and conformity to ideas of financial industrial stability and order."

"That simply will not do where at the same time, we are pressing for a lot more realism at the other end of industry, a lot more worker participation in the running of industry."

Casual labour attacked

CONGRESS called for casual labour to be removed from the secretary of the engineering union's construction section, as the Government had to do using the industry as a means of regulating the economy. There had to be a steady and planned workload to provide the basis for stable and viable industry.



THE SOUTH AFRICAN LAND & EXPLORATION COMPANY LIMITED

(Incorporated in the Republic of South Africa)

NOTICE OF GENERAL MEETING

Notice is accordingly hereby given that a general meeting of members of The South African Land & Exploration Company Limited will be held, at 44 Main Street, Johannesburg, on Monday, 4th October, 1976, at 09h00 for the following purposes—

- To consider and if deemed fit to pass, with or without modification, the following resolution as a special resolution:

"That the authorised capital of the company be and it is hereby increased from R1 225 000, divided into 3 500 000 shares of 35 cents each, to R3 325 000, divided into 9 500 000 shares of 35 cents each, by the creation of 6 000 000 shares of 35 cents each, which shares shall, when issued and credited as fully paid, rank pari passu with the existing shares of the company."
- To consider and if deemed fit to pass, with or without modification, the following resolution as an ordinary resolution:

"That, subject to the passing and registration of the special resolution increasing the capital of the company from R1 225 000 to R3 325 000, the directors be and they are hereby authorised:—

 - to allot and issue all or any portion of the 6 000 000 unissued shares of a nominal value of 35 cents in the capital of the company at such time or times, to such person or persons, company or companies, and upon such terms and conditions as they may determine, the aforesaid authority to remain in force until the next annual general meeting of the company;
 - to make arrangements on such terms and conditions as they may deem fit for the subscription by underwriters of:—
 - any shares in the company offered by way of rights issues but not taken up by the persons entitled thereto; and
 - any shares resulting from the consolidation of any fractional entitlements in respect of any shares issued in pursuance of a rights issue, provided that such shares which can be sold on the Johannesburg and/or London stock exchanges at a net price in excess of the issue price may be sold by the underwriters, and any excess of the net proceeds of sale over the issue price shall be paid to the company."

The reason for proposing the special resolution is given in the circular attached to this notice, and the effect of the resolution is apparent from the resolution.

The head office and United Kingdom transfer registers and registers of members of the company will be closed from 28th September to 4th October, 1976, both days inclusive, for the purposes of the general meeting.

Holders of share warrants to bearer who are desirous of attending in person or by proxy or of voting at any general meeting of the company must comply with the regulations of the company under which share warrants to bearer are issued.

A member entitled to attend and vote at the meeting may appoint a proxy to attend, speak and, on a poll, vote in his stead. A proxy need not be a member of the company.

A form of proxy, which sets out the relevant instructions for its completion, is enclosed for the use of members who wish to be represented at the meeting.

By order of the Board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

Secretaries
per J. E. Townsend

Senior Divisional Secretary

Postal Address:
P.O. Box 61587,
Marshalltown 2102

Registered Office:
44 Main Street,
Johannesburg 2001.

10th September, 1976

Copies of the circular attached to the above notice, which have been sent to all registered shareholders of the company, can be obtained on request from the London Office of the company—40 Holborn Viaduct, London, EC1P 1AJ.

Big majority backs devolution line

BY IAN HARGREAVES

CONGRESS massively endorsed the Government's policy on devolution and rejected a call for a referendum on the issue.

On a card vote, 8,761,000 votes were cast in favour of the General Council report on devolution with 711,000 against, a majority of 8,050,000.

Lord Allen, for the General Council, denied that the devolution proposals represented a move towards separatism. They simply involved "a sensible and desirable decentralisation of a range of Government functions to new and democratic institutions reflecting the culture, traditions and aspirations of the Scottish and Welsh people—but within the context of the continuing economic policy and social unity of the U.K."

Confusion

Devolution would strengthen, not weaken, the U.K. and stifle the separatist clamour.

On the question of a referendum, Lord Allen said this could only lead to chaos if different parts of the U.K. registered different verdicts. Separatists would be the beneficiaries of this confusion as they would be if there was any retreat from the Government's devolution policies.

Dealing with the question of regional government in England, Lord Allen asked Congress to give the General Council more time to consider its views.

Mr. George Smith, Scottish-born general secretary of the Construction Workers Union, UCAIT, moved a resolution deploring the Government's accession to "the panic mongering of Scottish MPs" and declaring that Scotland's problems were the result of unequal economic opportunity. The Welsh and Scottish people should be allowed to vote in a referendum on the issue.

Mr. Smith accepted that Scot-

land was no longer England's poor relation. In fact, the Scots had benefited in areas such as housing from a disproportionately large share of Government subsidies.

The new Assembly would be merely "glorified local councils" with no real power of economic management. This would lead to frustration, competition and a boost for the full-scale separatists. "To talk about devolution is to talk about separatism," he declared.

Regional imbalances could only be corrected by the economic policies of a U.K. Government and the TUC to stand out for "a united socialist Britain."

Mr. Alec Kitson, executive officer of the TGWU and another Scot, countered Mr. Smith's accusation that the devolution policies were a result of panic. Devolution would benefit the U.K. as the creation of regional divisions had improved his own union.

Mr. Fred Dyson, general secretary of the National Union of Dyers, Bleachers and Textile Workers, said the new assemblies would serve only to increase bureaucracy.

Mr. Miles McCobey, Scottish president of the National Union of Mineworkers, supported the General Council, said that devolution was a necessary extension of democracy. The issue, as such, should be "the property of the Labour movement."

He had no time for the characteristic utterances of the Scottish National Party, but the Scottish and Welsh people must be given TUC support in their real desire for devolved government.

Mr. George Wright, general secretary of the Welsh TUC, said Scotland's problems were the result of unequal economic opportunity. Wales was the forgotten area of the U.K. and would remain so without devolution.

Demand for S. African investment halt

AN END TO all new British investment in South Africa was demanded in an emergency motion adopted unanimously by Congress.

The motion, referring to the "recent brutal and repressive measures" taken by the South African Government against the non-white communities, also demanded a complete embargo on military help from Britain to South Africa and support for the National Liberation movement there.

TUC leaders will seek an early meeting with the Government to press these points.

On Northern Ireland, delegates declared support for "a better life for all" campaign being run by the Northern Ireland trade union movement.

Mr. Andy Barr, Sheet Metal

Workers' Union's delegate from Belfast, said that for people in the United Kingdom to appreciate the extent of the problem, the Ulster casualty figures should be multiplied to account for the differences in population. This would produce the equivalent of 50,176 killings, 572,234 injuries and 180,000 explosions.

A motion, which was accepted, said that the united struggle of the British and Irish unions was the only sure basis on which to create democratic change and a Bill of Rights for the Northern Ireland and Irish people.

Mr. Barr declared: "From this Congress, we have to go out and rouse the whole of the British trade union movement. Northern Ireland must not suffer another year of violence."



Mr. Len Murray in earnest conversation with Mr. Jack Jones on a day when the seamen's strike was uppermost in all minds. But, despite appearances, the Cabinet was not represented by Mrs. Shirley Williams, Prices Secretary. Pictured right is Mrs. Terry Marsland, of the Tobacco Workers' Union, who spoke in the debate on South Africa.



Energy policy debate call

A DEMAND for the Government to allow a full public debate on future energy policy before any final decision is taken was made by Congress.

Support for the greater use of coal in the generation of electricity because of the increasing economic burden of imported oil was among a list of demands in a long composite motion on the subject. "All new power stations built for the use of fossil fuels should be capable of burning coal," it declared.

The motion also expressed con-

cern at the possible cancellation of the Steam Generating Heavy Water Reactor programme saying that this could "almost certainly destroy the country's nuclear industry and demolish the remnants of international confidence in Britain's nuclear judgment and capacity."

Offshore energy resources, Congress reminded the Government, must be brought under public control with all equipment for them built in Britain.

Mr. Bob Wright, of the Amalgamated Union of Engineering Workers moving the motion

said the energy industry would be the "essential foundation stone" in the regeneration of British industry. There must be co-ordination with a small but powerful Energy Council providing trade union involvement at every level.

Mr. Joe Gormley, president of the National Union of Mineworkers, said plans had to be made at once for an integrated energy policy. The nation could not keep relying on changing plans of Government. An Energy Board, which must have teeth, was a necessity for Britain.

OTHER LABOUR NEWS

Lucas electricians end strike

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

ELECTRICIANS AT the Lucas Group, Birmingham, decided yesterday to end their two-week-old strike which has hit component supplies to British Leyland and Ford. But the strike by 250 electricians at Leyland's Castle Bromwich plant is continuing despite all-day talks yesterday, adjourned until today.

The Lucas electricians accepted a management offer on their claim for improved sickness benefits and the 3,500 laid off were recalled last night. Two factories closed by the strike are expected to be working normally by this evening.

At Leyland Cars, Longbridge, Mini and Rover production is getting back to normal and a phased return starts today of 4,700 laid off at the Oxford plant turning out Morris and Maxis, with a further 900 split about equally between the Abingdon Sports car factory and the Swindon body pressings operation.

The end of the strike enables

more than 27,000 car workers to go back to work.

However, 5,000 workers at the Castle Bromwich plant are still laid off by the electricians' dispute. Castle Bromwich supplies Longbridge Rover and Jaguar factories with bodies and a continuation of the strike would imperil production at all of them.

Lord Ryder, chairman of the National Enterprise Board, said

Agencies hit by NGA decision

BY ANTHONY THORNCROFT

SOME ADVERTISING agencies, mainly operating in the Midlands and Provinces, have been affected by a decision of the National Graphical Association to blacklist them because their art work is made up by non-union members. This means that NGA members working in newspapers are reluctant to handle the advertisements.

The main agencies affected are Brunings and Harrison Cowley, as well as Capra, the in-house agency of the CWS. The major London agencies have yet to feel the impact of the NGA's new touch line on work from unrecognised sources because most of their art work is handled by outside production houses employing union members.

Announcing the new SAA

"One-stop hop" to Jo'burg

LONDON PARIS OR MADRID

On Friday, Saturday and Sunday we take almost two hours out to give you a faster flight.

At SAA we aim to go that little bit further to ensure you enjoy your flight with us. Our newest idea: we have rescheduled our flights at the weekend to make them more convenient for you.

Now at weekends our Flying Hotel simply hops down to Paris or Madrid (Las Palmas from November 1), then flies direct to Jo'burg. So you can settle down for a restful, undisturbed flight after the one stop. And you save anything up to 1 hour 55 mins on the journey.

SAA GOES FURTHER IN EVERY WAY

Only SAA flies Super B Boeings, specially developed for our route to South Africa.

And when you arrive, only SAA has a network covering 22 destinations in Southern Africa. So we take you further, too.

And as if all that were not enough, by the end of the year we shall have introduced no less than 10 new wide-bodied jets to our fleet.

Seven days a week, the Flying Hotel takes off from London, Heathrow to Jo'burg at 1815.

(1745 hr. from October 24 to March 19, 1977). Every Monday we fly non-stop, the fastest way to South Africa. Ask your ABTA travel agency, or ring us.

HERE ARE OUR ADDRESSES:

South African Airways, 251 Regent Street, London W1R 7AD. Phone 01-734 9841. Also at Waterloo Street, Birmingham 021-643 9605. Hope Street, Glasgow 041-221 2932. Peter Street, Manchester 061-834 4436.

SAA'S FLYING HOTEL

Our Flying Hotel service has set new standards of comfort and hospitality on the route to South Africa. With specially designed seats to help you relax, superb cuisine and an impeccable wine list, seasoned travellers agree this is the great way to fly. Choose between our Blue Diamond First Class or our personalised Gold Medallion Economy Class travel.

Comfort all the way



South African Airways
Where no one's a stranger

How Gill Aviation is flying high- with help from Midland Bank Group

Starting from scratch nine years ago, Gill Aviation now plays a major part in the air taxi business in North-East England.

From its base at Newcastle Airport, it ferries light cargo of all descriptions to all sorts of destinations, including canaries to Portsmouth, paint samples to Zurich, and lobsters to Brussels.

It also carries passengers, and currently has an important contract ferrying personnel engaged in the North Sea oil industry.

Gill Aviation is a thriving, exciting, intensely modern enterprise in an ideal position to expand further and to profit from North Sea oil.

That it is in such a position is partly due, as Michael Gill is the first to point out, to the expertise and resources of various companies within Midland Bank Group.



Michael Gill was an RAF pilot before becoming a private flying instructor. Later, in 1966, he set up Michael Gill Aviation as an aerial photography business, but changed the name in 1969 and became incorporated as Gill Aviation Limited.

"My Midland Bank branch manager helped me at every turn," he says, "and it was he who made the development of Gill Aviation possible by arranging leasing finance through Midland Montagu Leasing."

Michael Gill's Company already owned a Piper Twin Comanche. With leasing finance he acquired a Piper Aztec and has recently added another Aztec. He now operates a fleet of eight aircraft, five of which are owned by other people, and he has diversified his business by becoming an accredited sales agent for new and used aircraft.

But growth has meant more than the purchase of new aircraft.

Gill Aviation has set up its own maintenance facilities and full-time engineers to man them.

It is also planning a new hangar for twelve or more executive aircraft, and new offices.

"Expanding an aviation business today involves a big capital outlay," says Michael Gill, "but with the continuing support and finance of Midland Bank Group companies, we look forward to getting to the top of the air taxi business."



Growing businesses need financial help of many kinds. Your local Midland branch can provide you with further details on the range of services available from Midland Bank Group.

Michael Gill at the controls of a Piper Seneca.



Midland Bank Group

Principal trading companies: Midland Bank Limited, Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited, Northern Bank Limited, Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Finance Corporation Limited, Northern Bank Trust Corporation Limited, Midland Bank Trust Corporation Limited, Midland Bank Group Unit Trust Managers Limited, Midland Bank Finance Corporation Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited, Midland Bank Insurance Services Limited, The Thomas Cook Group Limited, Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Bankers Limited, Samuel Montagu & Co. Limited (Incorporating Drayton), Drayton Montagu Portfolio Management Limited, Guyerzeller Zumrout Bank AG, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited, Bland Payne Holdings Limited, Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc, Bland Payne Australia Limited, London American Finance Corporation Limited, British Overseas Engineering & Credit Company Limited, Drake (UK) International Limited, Drake America Corporation, Export Credit Corporation.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Monopoly warning for French glassmakers

By Robert Mauthner

PARIS, Sept. 9

THE TWO leading French glass manufacturers, Saint-Gobain and BSN, have been warned by the French administration to put a stop to alleged monopolistic practices, the second time that these companies have been called to order in the last eight years.

According to the French Monopolies Commission, the two companies, who are supposed to be competitors, have concluded a sales agreement under which they market bottles and other glass containers used mainly by brewers and soft drink manufacturers, at strictly identical prices and on the same conditions.

Since Boussois-Souchon-Neuveel and Saint-Gobain account for 80 per cent of French production and more than 70 per cent of total turnover in this particular sector, BSN alone controls two thirds of the beer, cider and mineral water bottle market, and is considered to be in a dominant position.

The previous warning issued by the Monopolies Commission dates back to 1968, when it called upon the two companies to introduce more competition. If the Commission has once again given BSN and Saint-Gobain more time to modify their restrictive practices before taking legal action, it is mainly because productivity gains and a relatively moderate increase in the prices of glass bottles have been of undoubted benefit to consumers.

Den Danske Bank plan to raise Kr.500m.

BY HILARY BARNES

DENMARK'S SECOND largest commercial bank, Den Danske Bank, (formerly Landsmandsbanken) announced today that it plans to raise up to Kr.500m. (\$47m.) in loans abroad, in order to improve its capital to liabilities ratio.

Banking regulations require banks to maintain a ratio of equity capital to deposits and guaranteed of 8 per cent. Owing to a combination of rapidly in-

creasing deposits and declining bond prices, the banks are being forced to find new sources of capital.

This is believed to be the first time that a Danish bank has sought its capitalisation needs by going abroad. Exactly how the loans will be made up will be decided after an extraordinary meeting of shareholders on September 21, but it is expected that there will be a combination of private placements and public

COPENHAGEN, Sept. 9

The issue is expected to carry a significantly lower interest rate than if the money was raised domestically. Two large savings banks have recently sought to raise capital by issuing certificates of deposit at 14 and 15 per cent interest on 7 to 10 year loans in the currencies named varies from 61 to 10 per cent.

Beijerinvest remains confident

BY WILLIAM DULFORD

STOCKHOLM, Sept. 9

BEIJERINVEST, Sweden's fast-growing trading and industrial conglomerate, expects to meet its 30 per cent profit growth target for 1978 in spite of unexpected problems with the iron foundries, into which it diversified last year, and continuing losses in another expansion area, leisure products.

The half-year report released yesterday shows a growth of only 14 per cent, in pre-tax earnings to Kr.33m. (\$4.2m.) after a 60 per cent increase in turnover to Kr.2.9bn. (\$365m.). But second half earnings, particularly from the group's trading companies, are usually considerably higher and managing-director Anders Wall expects to meet his Kr.100m. (\$12.7m.) profit target for the year as a whole.

The half-year figures exclude stock appreciation, government

stock subsidies and adjustments for exchange rate changes. Operating profit grew from Kr.20m. to Kr.21m. in the first half of 1978 to Kr.33m., but pre-tax earnings were held back by a rise in ordinary depreciation from Kr.18m. to Kr.39m. and a substantial increase in financial charges from Kr.2m. to Kr.21m., arising mainly from the interest paid on the convertible debentures issued on the takeover of the Pribo Investment Company.

Under Mr. Wall's management, Beijerinvest has turned in one of the best share performances in the Stockholm Exchange, but there have been reservations about its expansion into industry. The half-year report confirms a "negative development" in the ironfoundry, one of the foundries bought last year, which is now expected to show a considerably higher loss this year.

Albin Marin, the leisure boat company and another loss-maker, is scheduled to return to "normal productivity" in 1977. Other industrial companies should increase earnings this year.

The losses have been balanced, moreover, by an improvement in trading company results, particularly in Scandinavian Trading, the oil and shipping company, whose first-half turnover grew from Kr.77m. to Kr.140m. The foodstuffs group is reported to be giving a "stable yield".

The share portfolio, another stabilising factor in the highly diversified conglomerate, is expected to contribute Kr.23m. to profits this year, or Kr.8m. more than in 1977. The value of the portfolio on August 31 was Kr.607m., compared with Kr.568m. at the beginning of the year.

Earnings declining as feared at Svenska Flakt

BY OUR OWN CORRESPONDENT

STOCKHOLM, Sept. 9

SVENSKA FLAKT, the Swedish industrial ventilation and pollution control group, reports pre-tax earnings of Kr.33.4m. (\$4.3m.) after ordinary depreciation for the first six months of the year, compared with Kr.37m. for the corresponding period of 1977. Sales rose from Kr.821m. to Kr.912m. (\$115m.).

The earnings development is in line with managing-director Bengt Berg's earlier forecast of a decline in profit from Kr.129m. last year to Kr.100-110m. this year.

The half-year interim report also maintains his prediction of a 20 per cent rise in new orders during 1978 based on "the expectation of better economic conditions in important markets".

Order bookings made by Cadellus, the industrial marketing subsidiary operating chiefly in Japan, which contributed

heavily to 1977 profits, were "restrained" during the first six months, but Mr. Berg anticipates an improvement in business during the second half.

A similar increase is expected in demand for ventilation products in Western Europe, where, it is also hoped, companies which have been taking a wait-and-see attitude will start placing orders with Flakt's contracting division.

The industrial division, dealing in environmental equipment and industrial driers, recorded good business.

Group capital investments dropped from Kr.33.8m. to Kr.28m. over the first half, during 1978 based on "the liquid assets at the end of the six months were Kr.408m., up from Kr.13m. from the beginning of the year."

In the latter part of the period the parent company executed new and bonus share issues and a stock split, increasing its capital by Kr.62m., but no inflow of cash resulting from the new issue took place during the first half.

Nationale-Nederlanden first half growth

BY MICHAEL VAN OS

AMSTERDAM, Sept. 9

NATIONALE-NEDERLANDEN, the leading Dutch insurance company, reports a substantial first-half turnover growth and increased profits. The executive Board has decided on an interim dividend of Fls.2.04 per share, compared with Fls.1.80 last year, payable on the paid-up capital recently enlarged by 10 per cent.

Barring unforeseen circumstances, results for the second half will "at least equal" those for the first half, which, at Fls.77.2m. were 12.2 per cent higher than in the same period last year. Turnover has advanced by 31 per cent to Fls.2.52bn., and Nationale's international activities contributed virtually a third of the total.

The company said that life insurance premium income increased 44.1 per cent, non-life 22.6 per cent, and professional reinsurance 32.3 per cent, an increase in total premium income of 30 per cent. Fls.2.01bn. income from investments and other activities rose by 23.5 per cent to Fls.509m. Expenses have risen comparatively moderately at 9 per cent, in the first half, considering the major turnover growth.

The 1978 figures include the turnover of the Midwestern United Life Insurance Company, acquired early this year. Excluding the latter, and changes in the values of foreign currencies, Nationale's turnover rose by 27.9 per cent, while expenses increased 5.3 per cent.

The company added that the "serious deterioration" in non-life results during the second half of last year has not yet been

followed by an upturn. Main causes are substantial underwriting losses in fire and motor insurance.

The Dutch paper products and packaging company Buehmann-Telterode said in its interim statement published today that it is able to repeat the forecast made in May that this year's profit per share would amount to about Fls.10. In the first half of this year, the company pushed up sales to third parties to Fls.144.4m. from Fls.114.4m. in the same period last year, while net profit was upped to Fls.16.2m. (Fls.14.5m.).

The company noted in its statement that the sales and results of two companies having joined the group in the second half of 1977 were not included in the first-half figures for that year.

It added that the first-half net profit per share of Fls.20 reached Fls.14.2 this year, compared with Fls.3.97 last year. The cash flow per share has gone up to Fls.9.34 (Fls.8.33).

Buehmann added that activity had increased in the first half of the year in virtually all sectors.

As a result, the group managed to raise sales despite a falling price trend in certain areas.

The influences of Government policy in the field of prices and the development of prices in the various markets is reflected in a narrowing of gross profit margins, which can only be offset by a tight control of costs, it added.

VOLKSWAGEN

New problems in Brazil

BY SUE BRANFORD IN SAO PAULO

THE WEST GERMAN VW has always been on VW do Brasil, regarding it as its most successful and prosperous subsidiary. In 1974, it was helped over a sticky patch by profits from the Brazilian company, which surged ahead, apparently oblivious to the world crisis, increasing output by a massive 20 per cent.

—and managing to sell the additional vehicles too. Even last year, despite problems looming on the horizon, production rose by 9.5 per cent, with over half a million vehicles manufactured in a single year for the first time. As in previous years, VW was responsible for over half the road vehicles produced in Brazil.

This year, however, a number of disconnected problems have disturbed VW's Brazilian empire. First of all, Brazil's present economic worries are finally hitting the car industry. Total production of road vehicles was only up 3.6 per cent during the first seven months of the year. Output of passenger cars, taken alone, was actually down, by 2.7 per cent. Although a minor crisis by world standards, this is unprecedented in Brazil.

Vehicle manufacturing has always been one of the most dynamic sectors of the economy. As it contributes with 12 per cent to total industrial output, its performance is of crucial importance to overall economic trends in Brazil.

For VW in particular the situation is tricky. Its output of passenger cars dropped heavily,

by 14.3 per cent, to 160,541, over the same period. Meanwhile, its Brasilia was designed here, specially for Brazilian conditions. Unlike the Passat, which is a straight copy of the German model with the same sophisticated technical performance, the Brasilia is a tough, resistant vehicle, much better suited to the rough Brazilian roads. As a whole with a negative growth

of 65,388 units. The production in Brazil, will be launching its first model, the Fiat 147, which is a small estate car. The Fiat factory was opened at the beginning of July but the first cars will only be placed on the market in November. According to Vincozo Barello, marketing director, Fiat is planning to manufacture 20,000 cars by the end of the year, 100,000 in 1979 and 180,000 by 1978.

Despite the rapid rate of growth of this sector of the market it is clear that all these estate cars cannot be sold. Even if VW is satisfied with a 50 per cent growth rate and some of the cars are exported, it is most unlikely that the market, which absorbed 180,000 units last year, can double by 1978. Someone will have to hurt.

Despite the advantages a novelty, not all the trump card are in Fiat's hands. Their estate car is much smaller than the Brasilia and some traders here believe that it may well stand up to Brazil's road conditions as well as the Brasilia. It will cost only slightly less than the Brasilia and may be considered expensive. A fiercely competitive advertising battle has already started in the Brazilian Press. VW is heavily stressing both the "Brazilian news" of the Brasilia, and its extensive network of specialised service stations all over the country. However, Fiat is emphasising the low running costs of its car, as well as its superior safety devices. Opinion here is divided as to which company will come off best in the struggle ahead.



The VW Brasilia.

The Government have yet shown much concern about Brazil's extremely high road accident rate. The Brasilia is fitted with few safety devices. In fact the West German government refused to grant permission for the car to be driven on German roads as it did not satisfy the country's minimum safety requirements. Although by no means cheap, (Fls.1,840), the Brasilia is much more accessible than the expensive Fiat (Fls.2,500).

However, even VW's success on the present success of the Brasilia estate car, which recorded a 25 per cent increase in production during the first half of the year, with the manu-

facture of 65,388 units. The production in Brazil, will be launching its first model, the Fiat 147, which is a small estate car. The Fiat factory was opened at the beginning of July but the first cars will only be placed on the market in November. According to Vincozo Barello, marketing director, Fiat is planning to manufacture 20,000 cars by the end of the year, 100,000 in 1979 and 180,000 by 1978.

Portals Holdings Limited

(Security paper manufacturers: Liquid and water treatment engineers)

Interim Report to 30th June 1978

The unaudited results of the Group for the six months to 30th June 1978 are shown below, together with those for the first six months of 1977 and for the year ended 31st December 1977.

	Six months to 30 June 1978	Six months to 30 June 1977	Year to 31 Dec. 1977
Group turnover			
Papermaking Division	12,776	9,280	10,477
Water Treatment and Engineering Division	22,310	21,386	44,559
Property Division	340	261	612
	35,326	30,926	64,048
Less: Intergroup sales and rents	3,712	2,753	5,049
	31,614	28,173	58,999
Group trading profit			
Papermaking Division	2,109	1,317	3,251
Water Treatment and Engineering Division	915	918	2,251
Property Division	261	197	418
	3,285	2,532	5,920
Deduct: Unallocated costs (net) including interest on 8% convertible unsecured loan stock	221	250	516
Group profit before taxation	3,064	2,080	5,404
Estimated taxation	1,637	1,102	2,886
Group profit after taxation	1,427	978	2,518
Outside shareholders' interests in profits	24	21	26
	1,387	857	2,481
Preference Dividends	16	16	32
Profit attributable to Ordinary Shareholders	1,371	841	2,449
Earnings per Ordinary Stock unit			
Basic	8.42p	7.23p	16.04p
Fully diluted	7.87p	6.72p	14.60p

Earnings per Ordinary Stock unit reflect the 1 for 4 rights issue of May 1976.

As can be seen from the above figures, we achieved growth in both sales and profits during the first half of 1978 compared with the corresponding period in 1977. This can be considered a satisfactory result bearing in mind that the British economy is still in a state of recession with very little sign of any worthwhile recovery. We therefore continue to be dependent on our markets overseas for the majority of our business, and we are now reaping some of the rewards from the great marketing effort that has been concentrated on exports for several years. Cost increases in both materials and services are still too high for comfort, although wage and salary increases are more reasonable and predictable than in the last two years. Following the rights issue in May, our cash position is strong.

Bank Note and Security Papermaking Division

This division has produced excellent results for the first half of the year. Our increased papermaking capacity was at full stretch during the period which produced sales that were up by 38% on the equivalent half year in 1977. There has been some slackening in demand since June, none the less, we anticipate that this division will, in total, still produce an improvement in the full year that will be more than satisfactory. We are continuing to maintain a heavy capital investment programme in this division which we feel is fully justified by our results, our prospects, and the need to give our customers ever improving services and products.

Water Treatment and Engineering Division

This division has made some progress in the first half of 1978. We are managing to hold our own in difficult trading conditions; investment by the water authorities and industry in the U.K. remains at a low level, although the summer's drought will no doubt bring home to them the need to take high quality water for less for granted than in the past. Portals Water Treatment Limited has had some considerable success overseas in the face of stiff competition, but does not anticipate any great increase in business until world trade picks up further. However, we do foresee some slight improvement in the results of this division for the whole of 1978 compared with 1977.

Property Division

The profits of this division have risen by 35% during the first half of this year. These profits consist of rents from our agricultural and our industrial properties less some expenses, and the profit increase has resulted from rent increases following an upward revaluation of some of our industrial properties.

Interim Dividend

At the time of the rights issue in May 1976 the Directors stated that it was their intention, in the absence of unforeseen circumstances, to pay total dividends on the Ordinary Stock units, as increased by the rights issue, of 17.0p per Ordinary Stock unit in respect of the year ending 31st December 1976. The Directors have resolved to pay an interim dividend for the year ending 31st December 1976 of 3.0p per Ordinary Stock unit payable on 7th January 1977 to shareholders on the Register on 29th November 1976. With the related tax credit this dividend is equivalent to 4.615p per Ordinary Stock unit.

Drought losses at EDF

By Our Own Correspondent

PARIS, Sept. 9

ELECTRICITE DE FRANCE, the French State electricity concern, is expected to make a loss of Fr.300m. (some \$35m.) in 1978, mainly as the result of the severe drought which has dried up some of the normal sources of hydraulic power and obliged EDF to rely heavily on imported oil and coal.

The projected loss is more than double the 1977 deficit and compares with original forecasts of a small surplus in the current year, if rainfall had been normal.

Arabian profits down

ARABIAN OIL COMPANY, the Japanese-Saudi-Kuwaiti petroleum producer, said on Wednesday that its net profit for the six months ended June 30 fell to Y225m. from Y1,013m. a year earlier.

The company did not make a forecast of full-year results. In 1977, it showed net profit of Y290,080m. and reduced its dividend from Y80 per share to Y70 as sales and earnings registered declines.

The company did say it expects sharply improved crude oil sales in the second half this year as buyers move in advance of the start of the oil year by the Organisation of Petroleum Exporting Countries.

It said its sales of light Arabian crude were slightly higher in the first half but that total crude sales were down. The Saudi Arabian and Kuwait Governments each own 10 per cent of Arabian Oil.

C & BU profits up

CARLTON and United Breweries, Australia's largest beer producers, lifted profit 8 per cent, from \$A14.2m. to a record \$A15.4m., but the directors describe it as "quite unsatisfactory" in view of the present levels of inflation. Despite their displeasure the dividend is increased from 12 cents a share to 12.5 cents.

Group sales rose from \$A344m. to \$A374m. C and UB were affected by the "enormous" increase in beer excise in July-August 1977 and the adverse effect of governmental authorities on its operations, writes James Forth from Sydney.

Chrysler sales

CHRYSLER CORP. said that it expects its car sales for model year 1977 to rise to about 1.5m. from about 1.3m. in 1976. Dealer reports from Detroit.

Truck sales for the year are expected to be about 500,000, up from 459,000 in model year 1976.

Chrysler said industry-wide car sales should be about 11m. and truck sales about 2,250,000.

\$50m. convertible bond issue planned by DBS

BY K. K. LEE

SINGAPORE, Sept. 9

THE DEVELOPMENT Bank of Singapore (DBS) is to issue \$50m.-worth of convertible bonds. Half of the total will be issued to the Singapore Government, already majority shareholder in the bank, and the other half on the Asian and Eurobond markets.

The coupon rate on the 15-year issue has been indicated at 6 1/2 per cent. The conversion price, which will be between 5 and 7 per cent, above the market price of the Ordinary shares of DBS, will be set on September 21.

Bondholders will be able to convert their holdings into Ordinary shares any time from December 15 this year onwards.

Lead manager for the issue will be Daiwa Securities. The co-management group includes a number of leading European-based Eurobond houses.

Members in the selling group will be given the option to make re-allotment of any amount up to one and a half per cent, which is a departure from the traditional re-allotment level of half a per cent.

The new issue is DBS's second international bond issue. The first, a \$10m. straight bond, carrying a coupon of 8 1/2 per cent, and maturing in 1982, was issued in 1972.

The Bank recently reported a 41.2 per cent, upturn in pre-tax profits for the first six months of this year to \$S\$19m. 12m.

THE SWEDISH company Norrlands Skogssagars Cellulose has raised a \$25m. medium term loan from a group of commercial banks headed by Hambros & Co. to help finance its investment programme.

THE DUTCH COMPANY Koninklijke Scholten-Hoog Group has arranged a \$10m. medium term loan from a United International Bank and Banque Europenne de Credit. The loan proceeds will be used towards financing an industrial project in Britain for which George Wimpey is the main contractor, to process maize starch into sweeteners and industrial derivatives.

\$A30.1m. rights issue from National Bank of Australasia

BY JAMES FORTH

SYDNEY, Sept. 9

THE National Bank of Australasia plans to raise \$A30.1m. through a rights issue — its third approach to shareholders for funds since February, 1976.

The bank raised \$A17m. through a one-for-five offer at \$A1.50 a share with the first issue, then last November it obtained \$A25.9m. from a one-for-four issue, also at \$A1.50 a share. The latest offer is on a one-for-five basis but the issue price is \$A1.75 a share. It compares with the latest market price of \$A3.25 a share.

The National issue confirms a trend by the banks to seek equity funds. The ANZ Bank raised \$A18.5m. from its U.K. shareholders before transferring its domicile to Australia, while the Bank of New South Wales recently raised \$A49.4m. and the Commercial Bank of Australia is seeking \$A17.4m.

The directors of National said the latest issue would facilitate expansion of the group's South Wales business. The company will have raised about \$A73m. from shareholders in the past 18 months.

Once it is concluded, the increased equity has largely been needed to maintain the bank's gearing in the face of rapid growth. National directors said they expected the group's dividend rate would be held at 13.5 cents a share on the higher capital, unless it obtained approval from shareholders to a suggested package of September 30, and in the March measures involving tariff, a half reported a 46 per cent jump in profit to \$A15.1m.

BROKEN HILL Proprietary Company, Australia's largest producer and sole steel producer, today announced plans for a \$A85m. expansion in its cash issue which may provide some of the funds needed for its latest expansion.

The battery of coke ovens at the latest issue would facilitate Port Kembla steelworks, in New South Wales, which when it is completed will enable the National Bank to take over of steel production. The project is the first in the steel industry since the BHP steel plant in Warrumbungle, NSW, and was recently announced a \$A85m. expansion in its cash issue which may provide some of the funds needed for its latest expansion.

The battery will comprise 4 ovens, each with a capacity of 100 tons, and will produce higher quality coke. BHP recently announced a \$A85m. expansion in its cash issue which may provide some of the funds needed for its latest expansion.

This advertisement complies with the requirements of the Council of The Stock Exchange in London. It does not constitute an invitation to subscribe for or purchase any securities.

INDUSTRIALIZATION FUND OF FINLAND LTD. (TEOLLISTAMISRAHASTO OY)

(Incorporated as a company with limited liability in Finland under the Joint Stock Companies Act of 1929)

U.S. \$25,000,000

9% GUARANTEED NOTES DUE 1984

unconditionally and irrevocably guaranteed by the

REPUBLIC OF FINLAND

ISSUE PRICE 100%

The following have agreed to offer the notes on behalf of Industrialization Fund of Finland Ltd.—Teollistamisraha Oy and to the extent provided in the Subscription Agreement to subscribe for the Notes:

CITICORP INTERNATIONAL BANK LIMITED

KREDBANK S.A. LUXEMBOURGEOISE UNION BANK OF SWITZERLAND (SECURITIES) LIMITED

WESTDEUTSCHE LANDESBANK HAMBROS BANK LIMITED

KANSALLIS-OSEAK-PANKKI POSTIPANKKI UNION BANK OF FINLAND

The \$25,000 Notes of U.S.\$1,000 each constituting the above issue have been admitted to the Official List of The Stock Exchange in London. Full particulars of the Notes are available in the Retail Statistical Service and copies may be obtained during normal business hours (Saturdays excepted) up to and including 23rd September, 1978 from the brokers to the issue:—

10th SEPTEMBER, 1978.

CAZENOVE & CO.,
12 TOWNSEND YARD
LONDON, EC2R 7AN.

Down 6 on fears of oil price rise

BY OUR WALL STREET CORRESPONDENT

LOWER LEVELS developed on Wall Street today, partly on fears of a significant new OPEC oil price rise. The Dow Jones Industrial Average came back 6.07 to 986.87 and the NYSE All Common Index lost 29 cents to 533.72, while declines led advances by 885 to 490. Trading volume, however, sharply contracted 2.21m. shares to 15.43m.

Many investors refrained from making fresh investment commitments prior to the latest U.S. Weekly Banking Figures. The Banking statistics, which were released after the NYSE closed, showed that the trend of the money aggregates, however, were mixed in the statement for the week ended September 1.

Pitkin International fell \$2 to \$157 on lower July quarter net earnings. Chemtron moved down \$2 to \$319½ in expectation of report 1976 net

earnings.

THURSDAY'S ACTIVE STOCKS

Stocks	Change	Stocks	Change
Westinghouse	22.00	General Electric	22.00
IBM	22.00	AT&T	22.00
Boeing	22.00	Rockwell	22.00
McDonald	22.00	Wendy's	22.00
...

of \$5 a share, compared with a record \$7.50 a year earlier. In Airlines, United lost \$1 to \$241, American \$1 to \$131, TWA \$1 to \$107 and Eastern \$1 to \$87.

reflecting the possibility of a major oil price increase on January 1.

In Oil, Exxon shed \$1 to \$331, Phillips Petroleum \$1 to \$301, and Arco \$1 to \$100.

Kaweco Beryll moved ahead \$1 to \$131-Molybdenum up \$1 to \$541, and Kweichow moved ahead \$1 to \$541.

Beryllium shares tumbled under the offer which expired Wednesday.

American Broadcasting was off \$1 to \$44 on plans for a second day offering of \$33.33m. common stock purchase warrants.

Eastman Kodak slipped \$1 to \$34½, while delaying introduction of its ENS folding camera.

Its top line slipped to \$294, following lower quarterly earnings.

Du Pont were down \$1 to \$131½, Hamilton \$1 to \$551, and Hamilton \$1 to \$551.

Teledyne \$2 to \$701, and Barringer \$1 to \$501.

Woods Petroleum moved up \$1 to \$331, and Hewlett-Packard added \$1 to \$501.

The American SE Market Value Index rose 0.24 to 103.05, although declines topped advances by 305 to 260. Turnover amounted to 1.6m. (1.51m) shares.

Cook Industries, a volume leader, were lifted \$6 to \$241½, its directors will consider a transaction at a meeting later this month for Cook to become a private company.

Incoferm "A" gained \$1 to \$111, reflecting a new rental and lease financing programme.

Houston Oil and Minerals moved

OTHER MARKETS

Canada lower

With the exception of Golds, which further improved 1.01 to 236.00 on index, all other sectors lost ground in moderate trading on Canadian Stock Markets yesterday.

The Industrial Index shed 0.91 to 187.80, Base Metals 0.37 to 80.39, Western Oil 0.31 to 229.55, Utilities 0.93 to 138.30, Banks 0.43 to 233.60 and Papers 0.43 to 136.02.

Consumers' Gas rose \$1 to \$13 on 58,783 shares, including a block of 32,000 at \$121.

Redpath Industries "A" were off \$1 at \$34½ cut its sugar prices by one cent a pound to 15 cents, due to poor markets.

PARIS—Majority of French shares slipped back in light trading, while awaiting the Government's anti-inflation package.

Although the overall trend was lower, Foods, Mechanicals, Public Utilities and Chemicals improved, while Banks, Portfolios, Motors and Constructions were mixed.

Americans dropped quite heavily in a weaker Foreign sector. Germans were mixed.

BRUSSELS—Mostly lower after continued slow trading.

STEEL—Chabery fell Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

U.S. shares were mostly lower. South African Gold Mines weakened, while French, German and Dutch shares gave ground.

AMSTERDAM—Prices fell in moderate trading.

Among International, Also shed Frs110 to 4370. In reduced non-ferrous, Hohenheim dipped Frs135 to 3240.

Electricals and Utilities eased. Holdings and Chemicals were little changed, while Oils were lower.

STERLING FALLS

NEW YORK, Sept. 9.

Sterling fell sharply in the foreign exchange market yesterday, calculated by Morgan Guaranty, day, as the Bank of England gave widened to 2.75 per cent, from 2.50 per cent, to prevent the pound from falling below \$1.77.

Since the central bank's standby facility for sterling was announced, the authorities have appeared to set a level of \$1.77 as the minimum level for the pound, but this level was abandoned yesterday as pressure built up during the morning, following the National Union of Seamen's decision to call a national strike from midnight on Saturday.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much calmer and sterling improved to close at \$1.7470-1.7480, a fall of 2.45 cents on the day.

Following the Bank of England's decision to widen the sterling's margin to 2.75 per cent, after standing at 2.50 per cent at noon and 2.55 per cent in early dealings.

Early selling of sterling, at around \$1.700-1.710 was absorbed by the authorities, but following the withdrawal of support the pound fell to \$1.730 and conditions were rather hectic, with many dealers unable to quote rates. Conditions in the afternoon were much

STOCK EXCHANGE REPORT

Fresh reaction in sympathy with slide in sterling
Index 2.1 off at 348.3, after 344.9—Falls in Gilts to $\frac{1}{2}$

Account Dealing Dates

Option
First Declared Last Account
Sep. 23 Sep. 2 Sep. 3 Sep. 14
Sep. 16 Sep. 16 Sep. 17 Sep. 28
Sep. 20 Sep. 30 Oct. 1 Oct. 12
New time dealing may take place
from 9.30 a.m. two business days earlier.

With the decision by the National Union of Seamen precipitating a slide in sterling which in turn gave rise to talk of a hike in Minimum Lending Rate, stock markets sustained a further widespread setback yesterday. Fresh losses ranging in 1 were recorded in British Funds and the Government Securities index closed 0.41 down at 80.97, for a two-day fall of 0.85.

Bear selling coupled with some further sizeable offerings during the morning prompted another fairly sharp setback in leading equities before a technical rally developed and left prices only a few pence off on balance in most cases. Down 5.3 at its worst of the day at 11 a.m. the FT 30 share index closed 2.1 down at 348.3, a low for the year of 348.3. Vague rumours in the late afternoon that the seamen's strike had been called off contributed to the rally.

Gilts weaken afresh

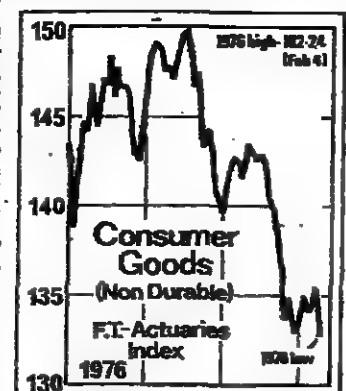
(Overall) dullness in equities was well illustrated by the 7-2 majority of falls over rises in the quoted Industrials and the loss of 1.2 per cent. to a low for the year of 143.01 in the FT-Actuaries All-Share index. Few sectors resisted the general downturn, but Shipping shares held up reasonably well after the previous day's sharp reaction. There was a further increase in activity as measured by official marketings of 4,493 compared with 4,117 on Wednesday.

British Funds had another poor session yesterday. After a cautious start, prices soon began to give ground following the reaction in sterling which was accompanied by reports that official support had been withdrawn. Short-dated stocks encountered selling and, despite rallying by 1 in places, closing falls still ranged to 3 and occasionally more. Mediums and longs suffered similarly, and closing losses of 1 left quotations in the wake of sterling's weakness, and scattered offerings on arbitrage account were easily absorbed. In the event, the premium scored a fresh advance to 116 per cent. before finishing a net 3 points higher at 116 per cent. Yesterday's SE conversion factor was 0.015 (0.0149).

Hk. & Shanghai lower

Lower advances from the Far East following the death of Chairman Mao brought about a sharp reaction in Hong Kong and Shanghai, which dipped in active trading to touch 303p before closing 15 down on the day at 310p. Standard Chartered were also dull at 310p, down 4. National Bank of Australia, on the other hand, hardened 3 to 323p after news of the proposed \$A30,000 "rights" issue. Home Banks drifted gently down, with Lloyds, Midland, 233p, and National Westminster, 210p, all closing 2 easier. Guinness Peat receded 4 to 100p in Merchant Banks, where Slater Walker lost the turn to 16p. Sterling Credit declined 2 to 13p in front of today's results in Hire Purchases. Insurances continued to reflect the surrounding easier trend.

Further consideration of their respective interim results left Guardian Royal Exchange down 4 more at 172p and Sun Alliance 8 lower at 370p, after 368p. Phoenix closed only 2 off at 182p after comment on the better-than-expected first-half performance. "Royals" cheapened 5 to 276p. More business developed for the Brewery leaders, which eased with the general trend. Arthur Guinness cheapened 2 to 114p, while Allied and Scottish and Newcastle were both a penny off at 82p and 83p respectively. Elsewhere, Builders drifted down a penny more to 120p, after 119p. H. P. Bulmer was the exception, being marked up a penny to 84p on the chairman's optimistic remarks at the AGM.



BSR above worst

There was a fair amount of activity in the Electricals leaders, which mainly managed to recover initial losses. Teco Electrical, 206p, after 200p, GECC 134p, after 131p, EMI 204p, after 200p, and Plessey, 72p, after 71p, all closed unchanged. Freehold, 52p, for a net loss of 3. Henry Wigfall was notable for a loss of 6 at 112p, while Decca, 122p, and Brooks Group, 82p, both closed 2 easier. Life Refrigeration, 48p, and Electrocomponents, 96p, softened 3 pence.

Leading Stores fluctuated nervously before closing at 90p, the overall level. Among secondary issues, Cambers "A" responded to the preliminary figures with a rise of 3 to 23p and 2. Building had contrasting results, with the first-half results higher at 17p on the first-half return to profitable trading, and O. C. Summers, which reacted 2 to 25p on the warning that the first-half results would show a trading deficit. Freedom Cloud reacted 5 to 85p on the first-half profits setback, while losses of 1 were seen in H. and R. Johnson.

BSR above worst

With the exception of GKN, which rallied from early softness to close 2 harder on balance at 207p, Engineering majors generally gave ground. Hawker were sold down to 374p before a late rally left the shares 6 lower at 378p, making a two-day fall of 14. Tubes closed 4 off at 312p, after 316p, and Vickers a penny easier at 182p. Elsewhere, second-line paraded a lengthy list of losses. Weyburn were vulnerable, falling 4 to 302p, while Advest gave up 4 to 125p, and J. D. Haden Carriers, 48p, further softened 2. The interim results left Rotork 4 down at 146p, while Babcock and Wilcox eased a penny to 68p, after 69p; the interim figures are due Wednesday.

News that the Secretary of State has decided not to refer Tate and Lyle's 170p per share cash bid for Mander and Garston to the Monopolies Commission caused a late flurry of activity in the latter, which moved up from 145p to 150p before closing at 149p. Tate and Lyle, however, closed 3 cheaper at a 1976 "low" of 215p. Elsewhere in Foods, J. Sainsbury eased 3 to 130p and Lloyds 55p. Adverse Press comment clipped a penny from Peck Holdings at 91p, while in Bernard Matthews, 77p, and Rovera Macintosh, 194p, both lost 2.

BSR above worst

Associated and United both 3 easier at 71p and 105p respectively. Supermarkets remained dull with Tesco losing another 1 to 33p and Sainsbury 1 to 32p, both ending 2 easier. Elsewhere, Peasey Property, after reacting further to 54p, saw a revival of buying on take-over hopes and rose to 57p for a gain of 11 on the day. Bureys also favoured Bernard Sunley, 4 up at 102p, and Apex Properties, 4 up at 102p, after 98p. Hatfield, 22p, while London City and West, 22p, ended a penny down at 12p. The latter after the half-year recorded a similar fall at 255p, after 253p. Losses were also registered in Bower, 173p, and Reckitt and Colman, 35p, after earlier dullness, although British 323p, while Bechem were just a penny easier on the day at 323p, after 322p. After weaker European Ferries, after weaker further to 30p, recovered following the half-year results to 32p, only a fraction down on Transport, 34p, after 35p, both closing unchanged, while Royal Academy the strong investment results and an indicated jump in dividend failed to help Black and Edgington, 4 cheaper at 144p, while also in the wake of half-time statements, Kysco Group, 40p, and Potos 3 to 41p, and Gibbons Dudley a penny to 57p. Johnson Matthey receded 3 to 322p, Cape Industries 8 to 112p, 321p, and resisting the dull trend and Clubb 5 to 96p. However, in Overseas Traders were Agar 20p, a penny firmer at 16p, both showed gains of 2 in response to higher first-half profits, and news that the promised bid from Newman Industries is under construction. AD International Units, 20p, 20p.

Unilever down

The miscellaneous Industrial leaders saw more activity than late and partially recovered after a fresh setback. Unilever, however, ended at the day's worst of 388p, down 8, while Pilkington recorded a similar fall at 255p, after 253p. Losses were also registered in Bower, 173p, and Reckitt and Colman, 35p, after earlier dullness, although British 323p, while Bechem were just a penny easier on the day at 323p, after 322p. After weaker European Ferries, after weaker further to 30p, recovered following the half-year results to 32p, only a fraction down on Transport, 34p, after 35p, both closing unchanged, while Royal Academy the strong investment results and an indicated jump in dividend failed to help Black and Edgington, 4 cheaper at 144p, while also in the wake of half-time statements, Kysco Group, 40p, and Potos 3 to 41p, and Gibbons Dudley a penny to 57p. Johnson Matthey receded 3 to 322p, Cape Industries 8 to 112p, 321p, and resisting the dull trend and Clubb 5 to 96p. However, in Overseas Traders were Agar 20p, a penny firmer at 16p, both showed gains of 2 in response to higher first-half profits, and news that the promised bid from Newman Industries is under construction. AD International Units, 20p, 20p.

ACTIVE STOCKS

Stock	Denomina- tion	No. of shares	Closing price (p)	Change	1976	1975
BATs Defd.	25p	13	203	-	225	200
HK SH Bkg.	SHK2.30	13	310	-13	330	273
ICI	10p	11	320	+1	402	316
BP	10p	9	373	-8	483	357
Distillers	30p	9	120	-1	158	118
Bank Org.	25p	9	149	-1	185	138
Bechem	25p	9	323	+2	360	280
Bechem	25p	9	323	-1	300	328
Bowater	10p	7	173	-4	230	173
Burmah Oil	10p	7	173	-4	230	173
European Ferries	25p	7	323	-1	360	280
Kier & Spencer	25p	7	323	-1	360	280
Reed Int'l	25p	7	323	-1	360	280
Courtaulds	25p	6	113	+2	189	108

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 183(1) (c).

Option Report—3-month Call Rates

"Calls" were dealt in Burmah dies. "Puts" were done in Oil, Ultramar, J. Coral, Lex Service, Slater Walker, European Ferries, British Land, Warrants and Spencer, J. Lyons, Grand Metro, Cavenham, Lounie, Town and City, Berry Wiggins, Charterhall Finance and Centraway Securities.

NEW HIGHS AND LOWS FOR 1976

Share	High	Low	1976	1975
NEW HIGHS (56)				
NEW LOWS (12)				
NEW HIGHS (12)				
NEW LOWS (12)				
NEW HIGHS (12)				
NEW LOWS (12)				
NEW HIGHS (12)				
NEW LOWS (12)				
NEW HIGHS (12)				
NEW LOWS (12)				
NEW HIGHS (12)				
NEW LOWS (12)				

Rises and Falls YESTERDAY

British Funds	Up	Down	Same
Foreign Bonds	5	3	23
Domestic Bonds	10	2	23
Equities	10	2	23
Commodities	10	2	23
Real Estate	10	2	23
Insurance	10	2	23
Utilities	10	2	23
Transport	10	2	23
Healthcare	10	2	23
Technology	10	2	23
Telecommunications	10	2	23
Media	10	2	23
Energy	10	2	23
Environmental	10	2	23
Food & Beverage	10	2	23
Pharmaceuticals	10	2	23
Chemicals	10	2	23
Metals & Mining	10	2	23
Automotive	10	2	23
Transportation	10	2	23
Construction	10	2	23
Real Estate	10	2	23
Insurance	10	2	23
Utilities	10	2	23
Transport	10	2	23
Healthcare	10	2	23
Technology	10	2	23
Telecommunications	10	2	23
Media	10	2	23
Energy	10	2	23
Environmental	10	2	23
Food & Beverage	10	2	23
Pharmaceuticals	10	2	23
Chemicals	10	2	23
Metals & Mining	10	2	23
Automotive	10	2	23
Transportation	10	2	23
Construction	10	2	23

MONEY MARKET

Bank of England Minimum Lending Rate 11 1/2 per cent. (since May 21, 1976). Short-term fixed period interest rates increased sharply in the London money market yesterday, following the weakness of sterling during the morning. Rates in the afternoon tended to ease but still finished higher on the day. Discount houses buying rates for Wednesday, Government discount Treasury bills rose from 11 1/2 to 11 1/4 per cent. on the day, but there was a fall in the note circulation was nominal in some cases.

Rise in interest rates

Sept. 9	Sept. 10	Sept. 11	Sept. 12	Sept. 13	Sept. 14	Sept. 15	Sept. 16	Sept. 17	Sept. 18	Sept. 19	Sept. 20	Sept. 21	Sept. 22	Sept. 23	Sept. 24	Sept. 25	Sept. 26	Sept. 27	Sept. 28	Sept. 29	Sept. 30
Overnight	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2
1 month	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2
3 months	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2
6 months	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2
12 months	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2

which have replaced the original Ordinary stock, were quoted at 105p, Denbury 5 per cent. sterling/dollar Convertible Loan, 1981/86, offered in part consideration for AD International, opened yesterday in first-time dealings at 105p and eased to close at 103p after a fair trade. Motors and Distributors were notable for a reaction of 4 to 71p in Armstrong Equipment despite preliminary figures which came up to market expectations. Ex Service interim figures due Wednesday, 105p to 103p, after 105p, while Rokeby, 51p, and Dowty, 138p, shed 1 and 3 respectively. Lucas Industries fell 1 to 184p before rallying to close unchanged on the day at 185p; sentiment was helped by the end of the electricians' strike at the company's Birmingham plants. Duxon-Forsyth also finished with an alteration at 261p, after 251p, following the sharply improved first-half profits.

Peachey dip and rally

Property leaders lost a little more ground with Land Securities, 145p, after 147p, both ending 2 easier. Elsewhere, Peachey Property, after reacting further to 54p, saw a revival of buying on take-over hopes and rose to 57p for a gain of 11 on the day. Bureys also favoured Bernard Sunley, 4 up at 102p, and Apex Properties, 4 up at 102p, after 98p. Hatfield, 22p, while London City and West, 22p, ended a penny down at 12p. The latter after the half-year recorded a similar fall at 255p, after 253p. Losses were also registered in Bower, 173p, and Reckitt and Colman, 35p, after earlier dullness, although British 323p, while Bechem were just a penny easier on the day at 323p, after 322p. After weaker European Ferries, after weaker further to 30p, recovered following the half-year results to 32p, only a fraction down on Transport, 34p, after 35p, both closing unchanged, while Royal Academy the strong investment results and an indicated jump in dividend failed to help Black and Edgington, 4 cheaper at 144p, while also in the wake of half-time statements, Kysco Group, 40p, and Potos 3 to 41p, and Gibbons Dudley a penny to 57p. Johnson Matthey receded 3 to 322p, Cape Industries 8 to 112p, 321p, and resisting the dull trend and Clubb 5 to 96p. However, in Overseas Traders were Agar 20p, a penny firmer at 16p, both showed gains of 2 in response to higher first-half profits, and news that the promised bid from Newman Industries is under construction. AD International Units, 20p, 20p.

Unilever down

The miscellaneous Industrial leaders saw more activity than late and partially recovered after a fresh setback. Unilever, however, ended at the day's worst of 388p, down 8, while Pilkington recorded a similar fall at 255p, after 253p. Losses were also registered in Bower, 173p, and Reckitt and Colman, 35p, after earlier dullness, although British 323p, while Bechem were just a penny easier on the day at 323p, after 322p. After weaker European Ferries, after weaker further to 30p, recovered following the half-year results to 32p, only a fraction down on Transport, 34p, after 35p, both closing unchanged, while Royal Academy the strong investment results and an indicated jump in dividend failed to help Black and Edgington, 4 cheaper at 144p, while also in the wake of half-time statements, Kysco Group, 40p, and Potos 3 to 41p, and Gibbons Dudley a penny to 57p. Johnson Matthey receded 3 to 322p, Cape Industries 8 to 112p, 321p, and resisting the dull trend and Clubb 5 to 96p. However, in Overseas Traders were Agar 20p, a penny firmer at 16p, both showed gains of 2 in response to higher first-half profits, and news that the promised bid from Newman Industries is under construction. AD International Units, 20p, 20p.

ACTIVE STOCKS

Stock	Denomina- tion	No. of shares	Closing price (p)	Change	1976	1975
BATs Defd.	25p	13	203	-	225	200
HK SH Bkg.	SHK2.30	13	310	-13	330	273
ICI	10p	11	320	+1	402	316
BP	10p	9	373	-8	483	357
Distillers	30p	9	120	-1	158	118
Bank Org.	25p	9	149	-1	185	138
Bechem	25p	9	323	+2	360	280
Bechem	25p	9	323	-1	300	328
Bowater	10p	7	173	-4	230	173
Burmah Oil	10p	7	173	-4	230	173
European Ferries	25p	7	323	-1	360	280
Kier & Spencer	25p	7	323	-1	360	280
Reed Int'l	25p	7	323	-1	360	280
Courtaulds	25p	6	113	+2	189	108

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 183(1) (c).

Option Report—3-month Call Rates

"Calls" were dealt in Burmah dies. "Puts" were done in Oil, Ultramar, J. Coral, Lex Service, Slater Walker, European Ferries, British Land, Warrants and Spencer, J. Lyons, Grand Metro, Cavenham, Lounie, Town and City, Berry Wiggins, Charterhall Finance and Centraway Securities.

NEW HIGHS AND LOWS FOR 1976

Share	High	Low	1976	1975
NEW HIGHS (56)				
NEW LOWS (12)				
NEW HIGHS (12)				
NEW LOWS (12)				
NEW HIGHS (12)				
NEW LOWS (12)				
NEW HIGHS (12)				
NEW LOWS (12)				
NEW HIGHS (12)				
NEW LOWS (12)				
NEW HIGHS (12)				
NEW LOWS (12)				

Rises and Falls YESTERDAY

British Funds	Up	Down	Same
Foreign Bonds	5	3	23
Domestic Bonds	10	2	23
Equities	10	2	23
Commodities	10	2	23
Real Estate	10	2	23
Insurance	10	2	23
Utilities	10	2	23
Transport	10	2	23
Healthcare	10	2	23
Technology	10	2	23
Telecommunications	10	2	23
Media	10	2	23
Energy	10	2	23
Environmental	10	2	23
Food & Beverage	10	2	23
Pharmaceuticals	10	2	23
Chemicals	10	2	23
Metals & Mining	10	2	23
Automotive	10	2	23
Transportation	10	2	23
Construction	10	2	23

MONEY MARKET

Bank of England Minimum Lending Rate 11 1/2 per cent. (since May 21, 1976). Short-term fixed period interest rates increased sharply in the London money market yesterday, following the weakness of sterling during the morning. Rates in the afternoon tended to ease but still finished higher on the day. Discount houses buying rates for Wednesday, Government discount Treasury bills rose from 11 1/2 to 11 1/4 per cent. on the day, but there was a fall in the note circulation was nominal in some cases.

Rise in interest rates

Sept. 9	Sept. 10	Sept. 11	Sept. 12	Sept. 13	Sept. 14	Sept. 15	Sept. 16	
---------	----------	----------	----------	----------	----------	----------	----------	--

30

HEALEY & BAKER
ESTABLISHED 1820 IN LONDON
29 St. George Street, Hanover Square,
London W1A 3BG 01-629 9292
AUCTIONEERS OF REAL ESTATE
CITY OF LONDON
ASSOCIATED OFFICES IN
AUSTRALIA, CANADA, FRANCE, GERMANY, HOLLAND, ITALY, JAPAN, NEW ZEALAND, SOUTH AFRICA, SWITZERLAND, U.S.A.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Shares (Listed up to Five Years)

High	Low	Stock	Price	%	Div	Yield
101.15	99.50	British Equities 1970-75	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 1975-80	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 1980-85	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 1985-90	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 1990-95	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 1995-2000	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2000-2005	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2005-2010	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2010-2015	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2015-2020	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2020-2025	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2025-2030	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2030-2035	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2035-2040	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2040-2045	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2045-2050	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2050-2055	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2055-2060	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2060-2065	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2065-2070	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2070-2075	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2075-2080	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2080-2085	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2085-2090	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2090-2095	100.30	1.15	11.50	11.50
101.15	99.50	British Equities 2095-2100	100.30	1.15	11.50	11.50

CANADIANS

High	Low	Stock	Price	%	Div	Yield
101.15	99.50	Canadian Equities 1970-75	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 1975-80	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 1980-85	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 1985-90	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 1990-95	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 1995-2000	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2000-2005	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2005-2010	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2010-2015	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2015-2020	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2020-2025	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2025-2030	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2030-2035	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2035-2040	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2040-2045	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2045-2050	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2050-2055	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2055-2060	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2060-2065	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2065-2070	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2070-2075	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2075-2080	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2080-2085	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2085-2090	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2090-2095	100.30	1.15	11.50	11.50
101.15	99.50	Canadian Equities 2095-2100	100.30	1.15	11.50	11.50

BUILDING INDUSTRY - Continued

High	Low	Stock	Price	%	Div	Yield
101.15	99.50	Building Industry 1970-75	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 1975-80	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 1980-85	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 1985-90	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 1990-95	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 1995-2000	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2000-2005	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2005-2010	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2010-2015	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2015-2020	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2020-2025	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2025-2030	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2030-2035	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2035-2040	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2040-2045	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2045-2050	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2050-2055	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2055-2060	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2060-2065	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2065-2070	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2070-2075	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2075-2080	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2080-2085	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2085-2090	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2090-2095	100.30	1.15	11.50	11.50
101.15	99.50	Building Industry 2095-2100	100.30	1.15	11.50	11.50

DRAPERY AND STORES - Continued

High	Low	Stock	Price	%	Div	Yield
101.15	99.50	Drapery and Stores 1970-75	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 1975-80	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 1980-85	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 1985-90	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 1990-95	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 1995-2000	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2000-2005	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2005-2010	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2010-2015	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2015-2020	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2020-2025	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2025-2030	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2030-2035	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2035-2040	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2040-2045	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2045-2050	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2050-2055	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2055-2060	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2060-2065	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2065-2070	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2070-2075	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2075-2080	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2080-2085	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2085-2090	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2090-2095	100.30	1.15	11.50	11.50
101.15	99.50	Drapery and Stores 2095-2100	100.30	1.15	11.50	11.50

ENGINEERING - Continued

High	Low	Stock	Price	%	Div	Yield
101.15	99.50	Engineering 1970-75	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 1975-80	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 1980-85	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 1985-90	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 1990-95	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 1995-2000	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2000-2005	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2005-2010	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2010-2015	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2015-2020	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2020-2025	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2025-2030	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2030-2035	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2035-2040	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2040-2045	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2045-2050	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2050-2055	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2055-2060	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2060-2065	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2065-2070	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2070-2075	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2075-2080	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2080-2085	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2085-2090	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2090-2095	100.30	1.15	11.50	11.50
101.15	99.50	Engineering 2095-2100	100.30	1.15	11.50	11.50

HOTELS - Continued

High	Low	Stock	Price	%	Div	Yield
101.15	99.50	Hotels 1970-75	100.30	1.15	11.50	11.50
101.15	99.50	Hotels 1975-80	100.30	1.15	11.50	11.50
101.15	99.50	Hotels 1980-85	100.30	1.15	11.50	11.50
101.15	99.50	Hotels 1985-90	100.30	1.15	11.50	11.50
101.15	99.50	Hotels 1990-95	100.30	1.15	11.50	11.50
101.15	99.50	Hotels 1995-2000	100.30	1.15	11.50	11.50
101.15	99.50	Hotels 2000-2005	100.30	1.15	11.50	11.50
101.15	99.50	Hotels 2005-2010	100.30	1.15	11.50	11.50</

Fdc	35	1	1
Rate R0.50	60	1	1

[illegible]

32

HALL & PICKLES
SHEFFIELD
STEEL WIRE
TOOLS

BELL'S
SCOTCH WHISKY
More you go

North-West's water to be pumped south

BY ROY ROGERS AND DONALD MACLEAN

AN AMBITIOUS plan to pump millions of gallons of water to the parched southern areas of Britain was announced yesterday by Mr. Denis Howell, Minister with special responsibility for water resources. Mr. Howell launched his scheme, which he conceded could be the beginning of a water supply grid system, at the annual TUC Congress in Brighton.

He took advantage of a debate on the drought to give details of major plans to move millions of gallons of water around the country using pumps and pipelines between rivers, lakes and reservoirs. But he underlined that these measures, which he wants in operation by next May, do not remove the need for continued saving of water. The situation was still deteriorating and promised to be even more critical next summer "even if it rains cats and dogs this winter."

Lancashire

But last night the North West Water Authority warned that parts of Lancashire may be "without water" for up to 36 hours at a time, if there is not substantial saving in the next few days.

In spite of repeated warnings, consumption of water in the area was rising, rather than being cut back. A four-hour meeting of water supply officers in the region ended yesterday with the decision that 36-hour cuts might follow steps taken next week.

"This is an indication of the severe deterioration in the situation," the authority said. "We will be deciding early next week on an approach to rationing supplies to most areas depending on supplies from the lake district."

Aid for farmers

SPECIAL Government help for drought-hit farmers in Britain may prove necessary, Mr. Fred Peart, Agriculture Minister, told the EEC Council of Ministers yesterday. He was speaking at a one-day meeting in Brussels called to discuss the drought, which has hit wide areas of the Community.

Details, Page 27

needed for large areas of Lancashire, Cheshire and South Cumbria. Mr. Milroy told the regional meeting of the northern division's advisory committee in Carlisle. The committee includes representatives of local authorities, Government departments, the police and fire brigades.

The authority is advertising today its intention to take greater powers to extract water from Windermere and Ulswater. In Brighton, Mr. Howell said the Government was not prepared to gamble with the jobs of millions of workers in the hope of wetter weather but he went on to warn that the

Government borrowing at £637m. for August

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CENTRAL GOVERNMENT revenue and spending figures for August published yesterday, show that the borrowing requirement for the first five months of the financial year is running well within the Budget estimates for 1976-77.

The borrowing requirement of central Government, excluding certain direct local authority and nationalised industry borrowing, rose from an exceptionally low £128m. in July to £637m. last month. This is lower than last year and within the forecast trend and reflects the initial effect of the income tax changes and rebates announced in the budget.

Both Government revenue and expenditure have so far in 1976-77 been running at well above their forecast annual rates. But the gap narrowed last month and should continue to do so under the impact of the income tax changes and also of the reduction in certain rates of value added tax.

On the expenditure side, the rate of increase may be lower later in 1976-77 in the absence this year of compensation for price restraint to nationalised industries, and the increase in

CENTRAL GOVERNMENT TRANSACTIONS				
	April 1 to August 31 1975	1976	Change	%
Consolidated Fund				
Revenue	11,275	13,044	+1,769	15.68
Expenditure	14,034	15,824	+1,790	12.75
Deficit	-2,759	-2,780	0.76	1.3
Borrowing Requirement	-3,656	-2,933	-19.3	18.4

New safety steps urged at Coalite

By Rhys David, Chemicals Correspondent

FURTHER improvements in safety standards at Coalite's triphenylphenol unit at Bolsover, Derbyshire, have been called for in a report published by the Government-backed Health and Safety Executive yesterday.

But the report, commissioned after an accident at a plant making the same chemical at Seveso, Italy, in July, when widespread local pollution resulted, stresses that the Coalite plant appears to have been operating satisfactorily for the past six years.

Talks will now be held by the company with employees and local authorities in the area to gauge reaction to a possible restart of the plant which has remained closed since the company's summer break ended six weeks ago.

Mr. Geoffrey Lyndon, North Midlands area director of the Factory Inspectorate, said yesterday that a number of recommendations had been made regarding the electrical and temperature control systems and the mechanical integrity of the plant after an investigation by Health and Safety Executive engineers.

The recommendations have been given to the company and worker representatives, and the company, which shut the plant shortly after the Seveso incident, has agreed not to re-open until the recommendations have been implemented.

Mr. Lyndon said at a Press conference, that the plant could be open again by the end of the year.

A further review of safety may also be undertaken when the final detailed report of the Seveso accident is published.

TUC and seamen

Continued from Page 1

decided, the rank and file would intend of "mucking about" almost certainly return the support given them by the seamen during their own national strike in 1974.

The same dilemma is posed for the transport workers, leading defenders of the social contract. Dockers and lightermen presumably would find it impossible to break the fundamental principle of trade union solidarity.

Yesterday's manoeuvres began with a general council meeting in what used to be the Duke of Clarence's bedroom in the Royal Pavilion. At mid-day, the TUC's economic committee, which made the policy ruling that the union must resist any tough line in two meetings with the seamen's executive over the past month.

The issue before, to-day's meeting is whether the TUC will persuade the seamen to accept the ruling that they must wait until January for their next pay rise—of £2.50 to £4 under present policy—because their last major increase was in January this year.

The seamen argue that their claim, for £8 from July 2, to £10 from July 2, is a claim for a pay rise that can be met without damaging the social contract.

They have been hit by the fact that their last award, reached by arbitration before pay limits were introduced, nonetheless was paid in three stages, two of them after the policy had been agreed.

The second stage, in January this year, has been ruled the major increase for the purposes of the pay policy's 12-month limit.

Mr. Slater was strengthened further in his belief that the seamen's claim was just when he read the remarks of the leader of the arbitration panel, Prof. Shields, and Dover all planning to meet on Monday to discuss strike tactics.

He said he had no

Insider dealing 'should be criminal offence'

BY MICHAEL LAFFERTY, CITY STAFF

THE GOVERNMENT should bring in legislation making insider dealing in securities a criminal offence, with severe penalties for offenders, says the City company law committee set up by the Bank of England in 1974.

Criminal sanctions should be limited to market insider dealings in securities with a published market price (mainly listed securities) and the police should have powers of compulsory interrogation and disclosure of documents, the committee says in a report to the Department of Trade.

Legislation should be introduced to discourage the misuse of confidential information and ensure that guilty parties "should at the very least be deprived of any advantages gained by means of it."

The dependence of the U.K. on invisible exports (to which the City contributes so largely) "makes it vital in the national interest that both the high standards and the reputation of the U.K. securities market should be maintained. There is public interest in ensuring that any departure from such standards should be as far as possible prevented."

The Conservative's 1973 Companies Bill would have made insider dealing a criminal offence, but the Bill lapsed with the change of Government.

Recently, the Tory Opposition proposed amendments to the Government's mini-Companies Bill dealing with the same matter, but these were subsequently withdrawn.

Damage

The Stock Exchange and the City Panel on Takeovers and Mergers, in a statement issued in February 1973, also concluded that the practice should be made a criminal offence.

The committee law committee believes that it would "do serious damage" if it were sought by legislation to outlaw the practice of registering securities in the names of nominees. An amendment to the present Companies Bill gives the company power to sue registered shareholders whether they have the beneficial interest in the shares and if not for whom they hold them.

It also enables the company to find out whether anyone

Eight arrested on fraud and conspiracy charges

BY KEITH LEWIS, CITY STAFF

INQUIRIES lasting more than two years into the affairs of a stockbroker-firm Chapman and Rowe have resulted in eight arrests by the Fraud Squad on charges of fraud and conspiracy, theft and submitting false records.

A statement issued yesterday said that "Detectives from the City of London Police Fraud Squad to-day arrested a number of persons in connection with the affairs of Chapman and Rowe, a firm of stockbrokers based in the City of London, on charges of fraud and conspiracy, theft and submitting false records."

The arrests, described as "a major breakthrough" in the investigation, took place on September 10 (to-day).

At the time of the arrests the firm had seven partners.

Ferry services stepped up to aid holidaymakers

BY JOHN WYLES, SHIPPING CORRESPONDENT

SOME FERRY services are being stepped up in order to prevent holidaymakers and their cars being stranded after Saturday night.

P & O's ferry, St. Ola, ran a double journey to the mainland yesterday. The island's emergency committee will meet to-day to consider the state of food supplies and prepare contingency plans.

The Isle of Man Steam Packet Company hopes to lift all of the estimated 10,000 people holidaying on the island who want to leave by Saturday night. Meanwhile Jersey is to try and obtain a special dispensation from the Seamen's union in view of British Rail's doubt that 7,000 people and 1,000 cars visiting the island could all be ferried to the mainland before the strike begins.

All of British Rail Shipping's Channel Island and North Sea services will be halted by the strike.

Philip Rawstone writes: Sir Geoffrey Howe, Tory shadow chancellor, commenting last night on the strike, described the economic situation as "grave." It was "the inevitable result of a disastrous diet of socialism," he said.

"Almost every one of this week's utterances from the red-neck wreckers of the left, at Brighton and Transport House, have made Britain's plight much worse."

It is small wonder that the leadership of the NUS have committed themselves to reckless strike action when one considers how deeply they have been deceived by rubbish of this kind.

For how much longer are we to go on being dragged down to disaster by the foolish mouthings of union bosses?

Sterling falls

Continued from Page 1

Bank was determined to hold the rate above \$1.77.

But, this level was then tested and it became apparent that there was no official intervention. Conditions became chaotic with banks quoting wide spreads as the rate fell to \$1.7350 though comparatively little business was done.

The rate stabilised within about half an hour and recovered quite quickly to over \$1.74, where it remained in volatile conditions for the rest of the day with no signs of official action.

The steadying of sterling in the afternoon was also reflected in a sharp fall in the rate for forward sterling as trading positions were unwound. The fall yesterday provided immediate profits to those selling the pound forward earlier in the week.

It also led to speculation about a possible rise in interest rates. Although Treasury bill rates did rise during the day, the view in the money market last night was that the Minimum Lending Rate would not be increased to-day.

There was renewed discussion yesterday about the possible impact of the strike on the economy and a spokesman for the Department of Trade was quoted as saying that the trade figures for September might be distorted slightly though the impact would not come through fully until October.

THE LEX COLUMN

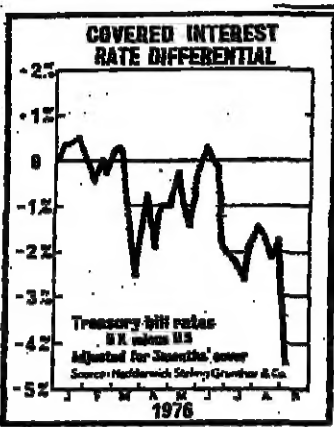
Monopoly: a game without rules

BY MICHAEL LAFFERTY, CITY STAFF

The decision to allow Tate and Lyle to press ahead with its offer for Manbre and Garton without reference to the Monopolies Commission throws into doubt the whole system of merger controls in the U.K. In practice, a monopolies reference tends to kill a merger proposal, and the Secretary of State has very wide discretionary powers in deciding whether or not to refer. These powers are exercised behind closed doors, sometimes in a quite unpredictable way. But the advantage of the flexible approach has been that questions of public interest do not have to be tied down to mechanical formulae about market shares or assets.

To judge by the degree of hostility which it has generated among consumers and employees, the bid for Manbre may indeed seem to raise questions of public interest—far more so, for instance, than Pilkington's offer for UKO International which was referred to the Commission last week. At any rate it seems clear that the Office of Fair Trading was sufficiently impressed to rethink its original (qualified) approval of the deal, and the doubts appear to have extended right up to the Minister.

Index fell 2.1 to 348.3



in single figures. With Manbre up 15p to 180p yesterday, the market is saying that Tate will have to do better.

Interest rates

By yesterday morning the weakening trend of forward sterling was forcing a choice upon the Bank of England. The covered interest rate differential has become strongly adverse, so either domestic rates needed to be forced up to defend the currency or the spot sterling exchange rate had to go down. In the event the Bank took the latter course, and sterling fell more than 2 cents against the dollar on the day.

It now appears unlikely that Minimum Lending Rate will go up to-day, which might bring some short-term reassurance to the securities markets. On the other hand, any weakness of sterling implies extra inflationary pressures next year and further undermines long gilts, which fell by up to half a point yesterday. The redemption yield on the long tap—now 11 points adrift of the Government Broker's last expected price—has crept up to 14.96 per cent.

In a sense, the authorities may be allowing the seamen, to do some of their dirty work for them. For some time a steepening of the yield curve has looked a necessary preliminary to a major burst of funding activity, and only a lucky break could have allowed that steepening to take place through lower short rates. But it is still not evident that any major interest rate initiative is in the offing. There were no shocks yesterday in the central Government borrowing

requirement for August, although the next set of supply figures is bound to appear. It should not be alarm that the Government's inclination may be to wait until October when the Labour Party conference will be out of the way, but when it will be worse, showing evidence of good intentions to the IMF. Yet there are no conditions in which the drawing up firm timetable

European Ferries

European Ferries is a standstill abandoning attempts at a profits forecast for 1976, but at least the same strike would come too late to affect the peak trading month. Last year second half profit from shipping were £3.9m, a tax of which over £3m, probably arose in July and August. The shares have fallen nearly a tenth this month and at 9p are now a third below the 11p peak; but the interim dividend was reassuringly increased yesterday, and a yield of 51 cent is covered some 31 times by historic earnings.

Mid-way through the profits have held up well a shipping returns virtually unchanged at £2.07m, despite an unfavourable background. Instead of usual January increase, top tariffs had to wait until July when the peak season is jumped by around a quarter. Tourist volume (including tax) was some 8 per cent. big in July and August and that volume rose a tenth with managing to deploy most of extra shipping capacity despite growing competition.

Capital repayments

Thanks to the U.K. system, companies can a bigger but rarely smaller. However, Brent Walker seems have hit on a relatively painless way of giving surplus cash to its shareholders. The firm is proposing to reduce its share premium account from £1.9m to £175,000 by paying out 25p per share. This, appropriate as a capital repayment rather than a distribution, so only ranks as a partial, partial for gains tax purposes. The idea would only work where there are proportionally large share premium accounts and is no good for groups with have made big scrip issues. There may be other drawbacks—but what price GEC?

Weather

U.K. TO-DAY

COOL, dry, rain spreading. London, Cen. Southern and Cen. Northern England, E. Anglia, Channel Islands.

Sunny, perhaps rain later. Max. 16C (61F).

S.E. and E. England, E. Anglia. Showers. Max. 14C (57F).

W. Midlands, S.W. England, S. Wales.

Sunny; rain later. Max. 16C (61F).

N. Wales, N.W. England, Lakes. Sunny; showers. Max. 14C (57F).

Isle of Man, S.W. and N.W. Scotland, Glasgow, Cen. Highlands, Argyll, N. Ireland: Cloudy; rain. Max. 12C (54F).

N.E. England, Borders: Showers. Max. 13C (55F).

Edinburgh, Dundee, Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetland: Showers. Max. 13C (54F).

Outlook: Changeable.

Lighting-up: London 19.57; Manchester 20.08; Glasgow 20.19; Belfast 20.25.

BUSINESS CENTRES

	Ytd mid-day	Ytd mid-day
Alexandria	13	22
Amsterdam	13	22
Antwerp	13	22
Batavia	13	22
Bombay	13	22
Buenos Aires	13	22
Canton	13	22
Cebu	13	22
Colon	13	22
Hankow	13	22
Harbin	13	22
Hong Kong	13	22
Kobe	13	22
London	13	22
Lyons	13	22
Manila	13	22
Medan	13	22
Shanghai	13	22
Singapore	13	22
Sourabaya	13	22
Tientsin	13	22
Yokohama	13	22

HOLIDAY RESORTS

	Ytd mid-day	Ytd mid-day
Agadir	13	22
Algiers	13	22
Amsterdam	13	22
Antwerp	13	22
Batavia	13	22
Bombay	13	22
Buenos Aires	13	22
Canton	13	22
Cebu	13	22
Colon	13	22
Hankow	13	22
Harbin	13	22
Hong Kong	13	22
Kobe	13	22
London	13	22
Lyons	13	22
Manila	13	22
Medan	13	22
Shanghai	13	22
Singapore	13	22
Sourabaya	13	22
Tientsin	13	22
Yokohama	13	22

THE TIME SAVERS

EXECUTIVE AIR CENTRE

WHEN YOU WANT SPEED-SECURITY PRIVACY-CONFIDENTIALITY CONVENIENCE-COURTESY COMFORT-SUPERB SERVICE

CONTACT

The world's largest civil operator of British-built H.S.125 Executive Jets

For more information phone 0582-24182, telex 82185 or attach your letterhead and mail this advertisement to—

MCA Alpine Aviation

10/9/76 Dept D Freeport Luton LU2 4BR